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**REPORT ON THE REDEVELOPMENT PLAN
FOR THE
MID-MARKET REDEVELOPMENT PROJECT**

**SAN FRANCISCO REDEVELOPMENT AGENCY
September 2005**

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**SAN FRANCISCO REDEVELOPMENT AGENCY
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TABLE OF CONTENTS

I.	INTRODUCTION.....	1
A.	REPORT ON THE REDEVELOPMENT PLAN PURPOSE AND CONTENTS	1
B.	PROJECT AREA LOCATION AND DESCRIPTION	3
C.	REDEVELOPMENT PLAN SUMMARY	3
D.	LEGISLATIVE REQUIREMENTS FOR NEW REDEVELOPMENT PROJECT AREAS	5
II.	PROJECT AREA SELECTION	8
A.	INTRODUCTION	8
B.	PROJECT AREA BACKGROUND AND HISTORY	8
C.	ESTABLISHING A REDEVELOPMENT PROJECT AREA	9
D.	EVOLUTION OF THE PROPOSED PROJECT AREA BOUNDARIES	10
III.	REPORT ON URBANIZATION.....	15
A.	INTRODUCTION.....	15
B.	URBANIZATION METHODOLOGY	15
C.	URBANIZATION REQUIREMENTS OF THE CRL	15
D.	EXTENT OF URBANIZATION IN THE PROPOSED PROJECT AREA	16
E.	CONCLUSION REGARDING URBANIZATION	17
IV.	ADVERSE PHYSICAL CONDITIONS.....	19
A.	BLIGHT DEFINITIONS.....	19
B.	OVERVIEW	20
C.	ADVERSE PHYSICAL CONDITION	20
D.	BUILDING CONDITIONS SURVEY.....	29
E.	PUBLIC IMPROVEMENT DEFICIENCIES	32
V.	ADVERSE ECONOMIC CONDITIONS	35
A.	IMPAIRED INVESTMENTS.....	36
B.	ABNORMALLY HIGH BUSINESS VACANCIES AND LOW LEASE RATES.....	40
C.	AN EXCESS OF ADULT USES	44
D.	CRIME RATES.....	44
E.	BLIGHT SUMMARY	53
VI.	REDEVELOPMENT PROGRAM DESCRIPTION	54
A.	INTRODUCTION	54
B.	REDEVELOPMENT PLAN GOALS AND OBJECTIVES.....	54
C.	REDEVELOPMENT PROGRAM IMPLEMENTATION.....	65
D.	RELATIONSHIP BETWEEN THE REDEVELOPMENT PROGRAM AND ALLEVIATION OF BLIGHTING CONDITIONS	67
E.	DESCRIPTION OF AGENCY'S NON-HOUSING REDEVELOPMENT PROGRAM	68
F.	AFFORDABLE HOUSING PROGRAM.....	72

VII. PROPOSED METHOD OF FINANCING AND FEASIBILITY	76
A. INTRODUCTION	76
B. ESTIMATED AGENCY FUNDING REQUIREMENTS FOR THE REDEVELOPMENT PROGRAM	76
C. POTENTIAL FUNDING SOURCES OTHER THAN TAX INCREMENT FINANCING	77
1. MID-MARKET SPECIAL USE DISTRICT	78
4. HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM	80
10. TRANSPORTATION DEVELOPMENT ACT (TDA) FUNDS.....	82
11. BROWNFIELD ECONOMIC DEVELOPMENT INITIATIVE (BEDI)	83
D. TAX INCREMENT FINANCING	85
E. HOW TAX INCREMENT FINANCING WORKS	86
F. ASSUMPTIONS USED IN TAX INCREMENT PROJECTIONS	88
G. TAX INCREMENT PROJECTIONS	89
H. FINANCIAL FEASIBILITY OF THE PROPOSED MID-MARKET REDEVELOPMENT PROJECT	90
VIII. IMPLEMENTATION PLAN	92
IX. METHOD OR PLAN FOR RELOCATION	93
X. ANALYSIS OF THE PRELIMINARY PLAN	94
1. ORIGINAL MID-MARKET REDEVELOPMENT SURVEY AREA ADOPTED IN 1995: FOURTH STREET TO OCTAVIA STREET.....	94
2. REDUCTION OF THE MID-MARKET STUDY AREA IN 2000-2001: FIFTH STREET TO EIGHTH STREET OR TENTH STREET.....	95
XI. REPORT AND RECOMMENDATION OF THE PLANNING COMMISSION AND REPORT REQUIRED BY SECTION 65402 OF THE GOVERNMENT CODE	97
XII. CONSULTATIONS WITH THE PROJECT AREA COMMITTEE AND COMMUNITY	98
XIII. THE REPORT REQUIRED BY SECTION 21151 OF THE PUBLIC RESOURCES CODE (ENVIRONMENTAL IMPACT REPORT)	99
A. BACKGROUND	99
B. SUMMARY OF IMPACTS	99
XIV. NEIGHBORHOOD IMPACT REPORT	102
A. IMPACT ON RESIDENTS IN THE PROJECT AREA AND SURROUNDING AREAS.....	102
B. RELOCATION AND LOW- AND MODERATE-INCOME HOUSING	105
C. OTHER MATTERS AFFECTING THE PHYSICAL AND SOCIAL QUALITY OF THE ENVIRONMENT	107
XV. ANALYSIS OF THE FISCAL OFFICER'S REPORT AND SUMMARY OF CONSULTATIONS WITH AFFECTED TAXING AGENCIES.....	109
A. THE REPORT OF THE COUNTY FISCAL OFFICER AND ANALYSIS THEREOF	109
B. SUMMARY OF CONSULTATION WITH AFFECTED TAXING ENTITIES	113
XVI. SUPPLEMENTARY REPORT	114

A.	EFFECT OF THE CHANGE IN BASE YEAR ON BLIGHTING CONDITIONS.....	114
B.	EFFECT OF THE CHANGE IN BASE YEAR ON THE PROPOSED METHOD OF FINANCING.....	115
C.	EFFECT OF THE CHANGE IN BASE YEAR ON THE ANALYSIS OF THE BASE YEAR REPORT AND SUMMARY OF CONSULTATIONS WITH AFFECTED TAXING AGENCIES	115

LIST OF EXHIBITS

Exhibit 1:	Project Area Boundary Map.....	7
Exhibit 2:	Urbanization Map	18
Exhibit 3:	Earthquake Probabilities.....	27
Exhibit 4:	Unreinforced Masonry Buildings.....	28
Exhibit 5:	Buildings with Extensive and Very Extensive Physical Deficiencies.....	31
Exhibit 6:	Indicators of Crime and Public Safety Problems	49

LIST OF FIGURES

Figure 1:	Organization of the Report on the Redevelopment Plan.....	2
Figure 2:	Urbanization Analysis.....	17
Figure 3:	Age Distribution of Buildings in the Project Area	21
Figure 4:	Project Area Unreinforced Masonry Buildings	26
Figure 5:	General Building Condition Categories	29
Figure 6:	General Building Conditions.....	30
Figure 7:	Pedestrian Accidents, 1995 - 1999.....	33
Figure 8:	Yearly Average Price Per Square Foot	38
Figure 9:	Average price Per Square Foot by Land Use Type	38
Figure 10:	Downtown Vacancy Rate.....	40
Figure 11:	Civic Center/Mid-Market Vacancy Rate.....	41
Figure 12:	Downtown Class A Vacancy Rate.....	41
Figure 13:	Downtown Class B Vacancy Rate.....	42
Figure 14:	Downtown Class C Vacancy Rate.....	42
Figure 15:	Mid-Market Commercial and Office Vacancies, February 2005.....	43
Figure 16:	Comparison of Crime Statistics by Reporting District	48
Figure 17:	Comparison of Crime Statistics, 1996 through 2001.....	50
Figure 18:	Summary of Crime Statistics for a 12-Week Period.....	51-52
Figure 19:	Estimated Net Cost to Agency of Mid-Market Redevelopment Program.....	76
Figure 20:	Sources and Uses of Funds, Mid-Market Affordable Housing Fund	90
Figure 21:	Sources and Uses of Funds, Mid-Market Non-Housing Fund.....	90
Figure 22:	2005-06 Base Year, Amount of Taxes Derived by the Taxing Agencies from the Project Area.....	112
Figure 23:	2005-06 Base Year, Total Amount of Taxes to be Derived by the Taxing Agencies from the Project Area	113

Figure 24: Effect of the Change in Base Year of Amount of Taxes Derived by the Taxing Agencies from the Project Area	119
Figure 25: Effect of Total Amount of Taxes to be Derived by the Taxing Agencies Area	120

APPENDICES

Appendix A - Legal Description of the Project Area

Appendix B - Sources

Appendix C - Tax Increment Projections

Appendix D - Implementation Plan

Appendix E - Relocation Program

Appendix F - Selections for Case Report 2002.0805R, Finding the Redevelopment Plan Consistent with the General Plan

Appendix G - Summary of Consultations with the Community

Appendix H - Resolution No. 153-2003, Certifying the Final EIR

Appendix I - 2005-06 Base Year Report

Appendix J - Summary of Consultations with Affected Taxing Agencies

Appendix K - Photographic Documentation

I. INTRODUCTION

A. REPORT ON THE REDEVELOPMENT PLAN PURPOSE AND CONTENTS

The Redevelopment Agency of the City and County of San Francisco (Agency) is in the process of preparing and adopting the proposed Mid-Market Redevelopment Plan (Redevelopment Plan or Plan) for the Mid-Market Redevelopment Project Area (Project Area) of the City and County of San Francisco (City).

This Report on the Redevelopment Plan (Report) is one of the legally required documents leading to the adoption of the proposed Redevelopment Plan. The purpose of the Report is to provide the information, documentation, and evidence to fulfill the requirements of Sections 33457.1 (Required Findings and Reports) and 33352 (Report to the Legislative Body) of the Community Redevelopment Law (Health and Safety Code Sections 33000 *et seq.*, the CRL).

Section 33352 of the CRL requires the Report to accompany the proposed Redevelopment Plan when it is submitted by the Agency to the Board of Supervisors of the City and County of San Francisco (Board of Supervisors or Board) for review. Such information, documentation and evidence is provided to assist the Board of Supervisors in its consideration of the proposed Redevelopment Plan, and in making the various and necessary findings associated with the adoption of the proposed Redevelopment Plan.

As discussed later in this Report, because the Agency is proposing 2005-06 as the base year for determining tax increment and the proposed base year value is lower than the prior base year designated by the Agency (2004-05), the Agency must analyze the effect of the change in base year. This information is provided in a "Supplementary Report" contained in Section XVI.

This Report is divided into sections that generally correspond to the CRL provisions that specify the required contents of the Report on the Redevelopment Plan pertaining to the proposed Amendment as described in **Figure 1** below:

Figure 1– Organization of the Report on the Redevelopment Plan

<u>CRL Section</u>		<u>Report Section</u>
33352 (a)	<i>The reasons for selection of the Project Area, a description of the specific projects proposed by the Agency, a description of how these projects will improve or alleviate the conditions described in subdivision (b).</i>	Sections II and VI
33352 (b)	<i>A description of the physical and economic blighting conditions in the Project Area specified in Section 33031.</i>	Sections IV and V
33352 (c)	<i>An Implementation Plan.</i>	Section VIII
33352 (d)	<i>An explanation of why the elimination of blight and the redevelopment of the Project Area cannot reasonably be expected to be accomplished by private enterprise acting alone or by the legislative body's use of financing alternatives other than tax increment financing.</i>	Section VII
33352 (e)	<i>The proposed method of financing the redevelopment of the Project Area including an assessment of economic feasibility of the proposed Redevelopment Plan and reasons for continuing to include tax increment financing.</i>	Section VII
33352 (f)	<i>A method or plan for the relocation of families and persons to be temporarily or permanently displaced from housing facilities in the Project Area.</i>	Section IX
33352 (g)	<i>Analysis of the Preliminary Plan.</i>	Section X
33352 (h)	<i>The report and recommendations of the Planning Commission.</i>	Section XI
33352 (i)	<i>The summary referred to in Section 33387 (consultations with the Project Area Committee [PAC] and with property owners, residents, businesses and community organizations.)</i>	Section XII
33352 (j)	<i>The report required by Section 65402 of the Government Code. (Report on the conformity of the Redevelopment Plan with the General Plan.)</i>	Section XI
33352 (k)	<i>The report required by Section 21151 of the Public Resources Code. (Environmental Impact Report).</i>	Section XIII
33352 (l)	<i>The report of the County Fiscal Officer per Section 33328 of the CRL (base year report).</i>	Section XV
33352 (m)	<i>Neighborhood Impact Report.</i>	Section XIV
33352 (n)	<i>An analysis by the Agency of the report submitted by the County as required by Section 33328 (base year report), which shall include a summary of the consultation of the Agency, with each of the affected taxing entities.</i>	Section XV
33328.5 (c)	<i>Supplementary Report analyzing the effect of the use of the different equalized assessment role</i>	Section XVI

B. PROJECT AREA LOCATION AND DESCRIPTION

The Project Area is composed of 82.42 acres, generally bounded by Market Street, Fifth Street, Mission Street, and Tenth Street (see Exhibit 1). Four triangular blocks on the north side of Market Street are also in the Project Area. These include blocks at the intersections of Larkin and Grove Streets; Jones Street and Golden Gate Avenue; Turk and Taylor Streets, and Eddy and Mason Streets. Land uses in the Project Area are a mix of primarily retail and office uses, with smaller amounts of industrial and residential uses.

Residential units in the Project Area are predominantly single room occupancy (SRO) units in residential hotels, with a smaller number of apartments and live-work units present. Retail and commercial uses include convenience stores, clothing stores, restaurants, hotels and motels, and several adult-oriented uses (x-rated theaters, x-rated book stores, bars and nightclubs). Office uses are generally located above ground-floor retail uses. Most of the office buildings are considered B- and C-class office structures,¹ with rent rates lower than better quality and/or better-located space in the nearby Financial District or South of Market Area. The majority of the buildings along Mission Street are limited to two to four stories in height. Public and quasi-public uses include a Pacific Gas & Electric (PG&E) substation on Mission Street and Seventh Street, the historic U.S. Post Office and Courts Building at Seventh Street and Mission Street, and the Old U.S. Mint Building at Mission Street and Fifth Street, currently slated to become the Museum of the City of San Francisco complemented by a variety of complementary and public uses.

C. REDEVELOPMENT PLAN SUMMARY

The Redevelopment Plan is the culmination of 10 years of community planning in conjunction with the Mid-Market community, including the Mid-Market Project Area Committee (Mid-Market PAC or PAC), an advisory body to the Redevelopment Agency made up of community residents, property owners, businesses and community organizations. The Redevelopment Plan can be summarized as an incremental 30-year urban infill and rehabilitation program that would authorize the Redevelopment Agency to participate in and/or assist with certain projects and programs to correct or alleviate documented physical and economic blighting conditions in the Project Area that, taken together, aim to create a more vibrant and balanced mixed-use district over time.

¹ See Section V.A., Impaired Investments, of this Report for a detailed description of office space classifications.

Agency efforts would place a special emphasis on building upon the existing fabric and assets of the district including: increasing the ratio of residential development to other land uses; expanding upon existing arts, cultural and entertainment activities; aiding existing businesses; attracting new complementary commercial development; and rehabilitating existing commercial and residential space in historic buildings. In addition, the Redevelopment Plan aims to retain existing and historic affordable housing ratios as well as community-serving office space. To support the Project Area's anticipated growth in residential population, businesses, and employees, and to serve citywide and regional needs, the Redevelopment Plan anticipates additional facilities to house civic, social and cultural services and activities and public improvements including the upgrading of public open space, streetscapes and transit facilities.

The Redevelopment Plan will be implemented in accordance with community-driven goals, objectives and representative projects and programs. Its adoption will allow the Agency to use redevelopment tools conferred by CRL to correct or alleviate blight. Such tools include the ability to use tax increment financing, acquire property, enter into binding agreements with property owners (Owner Participation Agreements or OPAs) and developers of property previously owned by the Agency (Development and Disposition Agreements or DDAs) and utilize a limited eminent domain policy in accordance with the Redevelopment Plan. These tools would be used to fund and/or otherwise assist public and private projects, community and economic development programs, and affordable housing.

The Redevelopment Plan has been crafted to effect significant and positive change while simultaneously building upon the existing fabric and assets of the Project Area. Specific aspects of the Redevelopment Plan that illustrate this include:

- Community-driven goals and objectives that will not only authorize the Agency to implement specific projects and programs but also require a concerted effort by the Agency to coordinate with City departments, community members and stakeholders;
- Use of the Planning Code to regulate development in recognition of historic development patterns;
- Authorization of the Mid-Market Special Use District (Mid-Market SUD) – a set of specific Planning Code amendments aimed at achieving the goals and objectives of the Redevelopment Plan and of the City's General Plan, including development incentives for projects that support the arts, feature affordable housing or reduce parking ratios;
- Shared administration of development controls with the City Planning Department through a Delegation Agreement;
- Encouraging owner participation in redevelopment;

- A limited eminent domain policy that focuses on alleviating the Project Area's most severe issues including: SROs with recurrent violations of applicable laws, codes and ordinances; unsafe and unhealthy buildings; chronically vacant buildings; surface parking lots that have not been developed by a certain date; limited aggregation of small parcels for the development of residential, arts, culture and entertainment uses; and the creation of pedestrian easements;
- A mandate to assist the rehabilitation and development of extremely low-, very low- and moderate-income housing, including SROs; and
- Authorization of tax-increment funding to aid infill development, rehabilitate existing buildings, and improve the existing public infrastructure, including community facilities, open space, streetscapes and transit facilities.

As noted above, the Planning Code, as it is amended from time to time, will govern development within the Project Area. Specific amendments aimed at achieving the goals and objectives of the Redevelopment Plan and the General Plan have been crafted and are bundled together in the proposed Mid-Market SUD. The Mid-Market SUD is essentially a zoning overlay that retains the primary development controls of the Project Area's existing underlying zoning districts, including bulk and height controls, but modifies certain aspects of the controls in order to promote revitalization. Development controls, including the Mid-Market SUD, will be administered jointly by the Planning Department and the Agency pursuant to a Delegation Agreement.

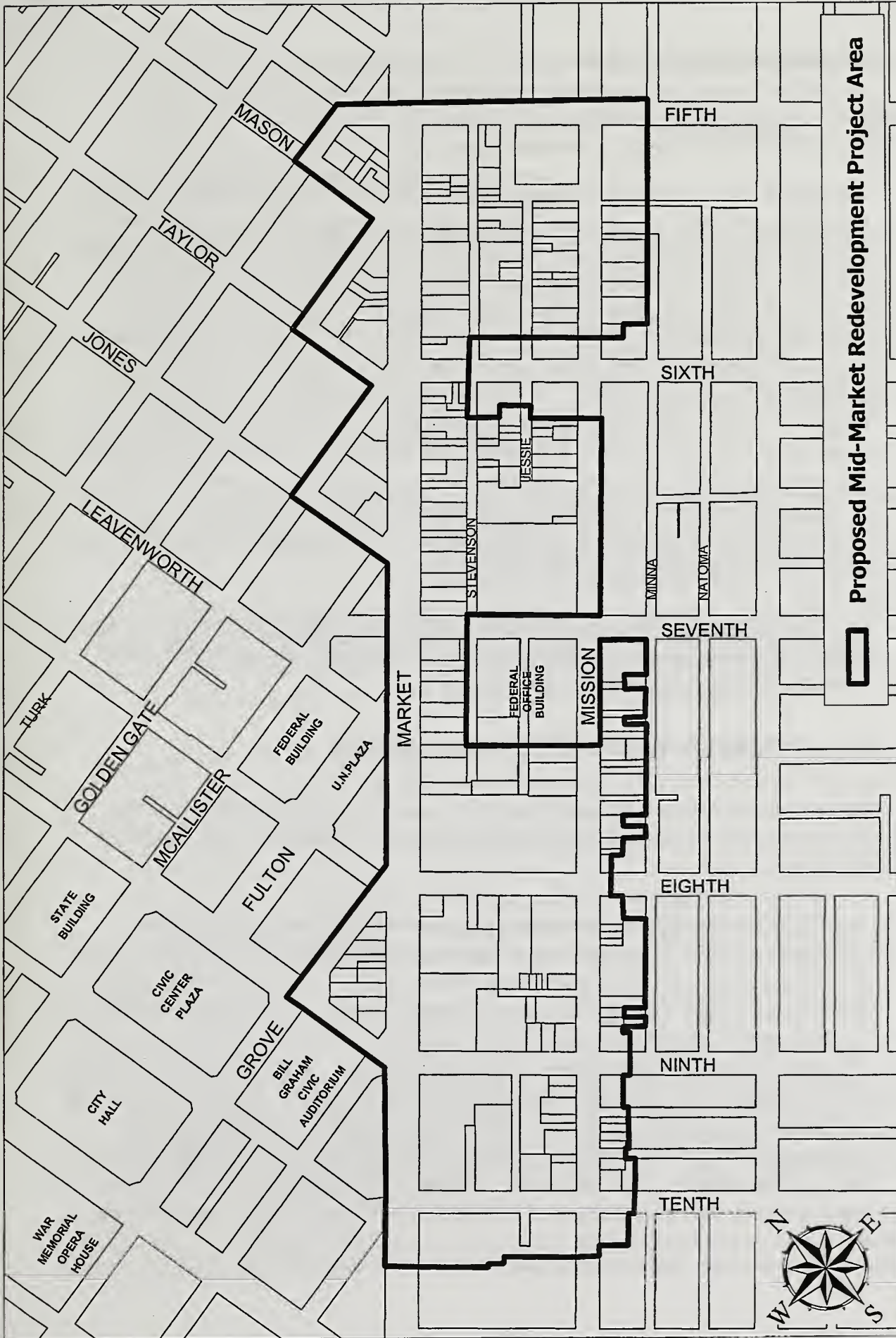
The achievement of the Redevelopment Plan's revitalization goals for the Project Area will necessitate the collaborative efforts of the Agency, City departments, state and federal agencies, the private and non-profit sectors and philanthropic organizations. The Redevelopment Plan will authorize the Agency to collaborate with local, state, and federal agencies in securing financing, resources and other appropriate tools to provide for public and private improvements within the Project Area. It will also enable the Agency to pursue public/private and public/non-profit partnerships to help implement the Redevelopment Plan. When private or non-profit entities or individuals partner with the Agency for financial or any other type of assistance, the partnership will most often be governed by OPAs, DDAs, or some other type of agreement in which the Agency will leverage public financing, public assets or other redevelopment tools to meet the goals of the Redevelopment Plan.

D. LEGISLATIVE REQUIREMENTS FOR NEW REDEVELOPMENT PROJECT AREAS

In order for an area to qualify for redevelopment, it must be both predominantly urbanized and blighted, as defined in Section 33030(b) of the CRL. The blighting

conditions must be so prevalent and so substantial that they cause a "reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community, which cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment."

This Report provides the documentation that the Project Area is urbanized and blighted. Also, as required by the CRL, this Report describes the projects and programs, along with the method of financing such activities that will assist in alleviating the blighting conditions. As presented in Section VII of this Report, the Agency has identified sufficient revenues to demonstrate that the Agency's redevelopment program is financially feasible.



Source: San Francisco Redevelopment Agency.

ISIN EXHIBIT 1 **IRA Project Area Boundary Map**

II. PROJECT AREA SELECTION

A. INTRODUCTION

The Project Area has been in a general state of decline for several decades. The area has traditionally been a secondary retail area of predominantly marginal retail uses on the ground floors of buildings, with office space (now mostly vacant) on the upper floors. High levels of crime and homelessness in the area have made it less attractive than other areas of the City. Despite the economic boom that drove up rents, building occupancy and investment in the City between 2000-2001,² the Mid-Market area was the last area to participate in this boom, and the first to be impacted by the subsequent downturn and national recession. As the City moves toward economic recovery, the Project Area continues to suffer from marginal business activity, high ground floor and upper story vacancies, deficient and deteriorated buildings, unimproved streetscapes, a high concentration of adult uses, and high levels of crime and homelessness. These factors continue to make Mid-Market a less desirable neighborhood and place to conduct business than other parts of the City, including areas directly adjacent to Mid-Market in South of Market (SOMA) and in the Financial District.

As a result of the persistent blighting conditions that exist in the Project Area, the Agency plans to redevelop the area by supporting existing retail and business activities and providing housing opportunities to area residents.

B. PROJECT AREA BACKGROUND AND HISTORY

The Mid-Market area is adjacent to the City's main shopping district, located along Market Street to the east, with the Civic Center and the Tenderloin to the north, and SOMA to the south.

Historically, the Mid-Market area housed many of the City's live theater venues, beginning in the late 19th century and continuing until the 1920s, when many large first-run movie houses were constructed along Market Street. The area also included many quality hotels constructed after the 1906 earthquake. By the 1950s, the Mid-Market area was in decline. The increasing popularity of television and the rapid expansion of the suburbs reduced patronage of the retail and entertainment venues in the area. Thriving commercial and retail businesses began transitioning out of the neighborhood with more marginal businesses moving in – the greatest example of this transition being the conversion of many of the area's previously mainstream and popular theater venues into adult entertainment venues. During the 1970s and 1980s, problems in the area were exacerbated by the rising shortage of affordable housing in the City, causing a large

² San Francisco Business Times, "Mid-Market turns to skid market", April 9, 2001.

increase in the homeless population. This period also saw the final implementation stages of streetscape improvements in conjunction with the completion of the undergrounding of the San Francisco Municipal Railway (MUNI) and Bay Area Rapid Transit System (BART). Despite this investment in transit and public streetscape improvements, the area continued its decline.

With the economic boom in the greater Bay Area (late 1990s), in combination with a lack of affordable residential and office space, investment began to take hold in some depressed areas of the City. Towards the end of this cycle, in 2000 and 2001, Mid-Market also experienced a brief upswing in property values, rents, and other signs of investment, but ultimately did not realize lasting or significant investment. Illustrative of this time, rent increases in 2000 and 2001 forced out many of the non-profits that provided social services in the area, making it more difficult to address the needs of the low income and homeless populations in the area.³

Today, problems in the area persist, and the area is still considered seedy, dangerous and undesirable. Illegal drug trafficking and drug use continue to proliferate in the Project Area as well as the physical deterioration of certain buildings. Ironically, many of the businesses and non-profits that feared displacement from the district in 2000 and 2001 have since left voluntarily to find better accommodations. For example, the Grant Building at 7th and Market is currently approximately 30 percent vacant but had previously stirred controversy with rising rents and the specter of existing and potential "dot-com" tenants competing for the potential future use of the building.

Consistent with the discussion above, real estate brokers and local businesses describe the Project Area as the last to improve in economic boom times and the first to decline in economic difficulties. As a result, the Agency proposes to assist in the revitalization of the area through implementing an incremental urban infill and rehabilitation program aimed at addressing factors of economic and physical blight. As demonstrated over the past half-century of Mid-Market's history, without assistance in the form of redevelopment, the private sector acting alone will be unable to address the persistent and serious physical and economic blighting conditions in the Project Area.

C. ESTABLISHING A REDEVELOPMENT PROJECT AREA

California Community Redevelopment Law, contained in California Health and Safety Code, Sections 33000 et seq., provides the authority and implementation provisions for a redevelopment program. In San Francisco, the Board of Supervisors is the legislative body of the City and is therefore responsible for initiating the redevelopment process

³ David R. Baker, "S.F. Eviction Fighters Given Boot Themselves. Skyrocketing rents forcing out non-profits", San Francisco Chronicle, July 28, 2000.

through designation of a redevelopment survey area and adoption of a redevelopment plan. A survey area is an area that requires further study to determine the feasibility of a redevelopment project within the survey area's boundaries. A survey area (or portion thereof) may be designated as a project area if it contains blighting conditions, causing a reduction of proper use of the area to such an extent that it constitutes a serious physical or economic burden on the community, which can not be reasonably expected to be reversed or alleviated by private enterprise and government acting alone. A project area may also include lands, buildings, or improvements which are not detrimental to the public health, safety, or welfare of the community, but whose inclusion is found necessary for the effective redevelopment of the area.

The CRL also requires the creation of a project area committee (PAC) if a survey area includes a substantial number of residential units housing low- and moderate-income persons and families that might be displaced as a result of redevelopment activities. The Redevelopment Agency must consult with and obtain the advice of the residents, property owners, business owners, and representatives of community organizations who serve as the PAC. In addition, a redevelopment agency may also consult with a PAC on other policy matters that could affect project area residents. The Mid-Market PAC was elected by members of the Mid-Market community and ratified by the Board of Supervisors in 1997. The PAC advised Agency staff during the development of the Redevelopment Plan and the selection of the proposed Project Area boundaries.

D. EVOLUTION OF THE PROPOSED PROJECT AREA BOUNDARIES

The Mid-Market redevelopment planning process was initiated in mid-1994 at the request of area stakeholders and formalized by the Board of Supervisors in December 1995 with the creation of the Mid-Market Redevelopment Survey Area (Survey Area). Since then, the proposed Project Area boundaries have been reduced to include a much smaller territory than the original Survey Area.

1. Original Mid-Market Redevelopment Survey Area Adopted in 1995: Fourth Street to Octavia Street

The original Survey Area extended approximately from Fourth Street to Octavia Street along the Market and Mission Street corridors. In 1996 and 1998, respectively, the Mid-Market Preliminary Plan and the Mid-Market Concept Plan laid out potential redevelopment concepts for the Survey Area. Both documents stated that revitalization and development strategies for the entire Survey Area would not rely solely on the resources of the Agency, but would utilize a larger citywide approach to revitalization with the resources of redevelopment applied to specific projects or programs.

The Mid-Market Preliminary Plan, adopted by the Planning Commission in December 1996, was a general statement of land uses, layout of principal streets, population densities, building intensities, and standards proposed as the basis for redevelopment of the Project Area:

- The layout of the street grid was to remain essentially the same;
- Population density was targeted for 400 persons per gross acre with an average dwelling unit density of 1:125, except for SRO units;
- Building intensity allowed for floor area ratios (FAR) ranging up to a maximum of 6:1;
- Development standards called for new development to consider the surrounding physical environment, historic preservation, existing urban development, existing development controls and design policies included in the General Plan; and
- South of Market properties that lie within the South of Market Zoning Districts would remain subject to the policies and objectives of the South of Market Plan and subject to the provisions of the South of Market zoning controls.

The Mid-Market Concept Plan, published in July 1998 by the Agency, set forth a community-based vision for the revitalization of the Survey Area in a manner that built upon the Mid-Market area's existing land use patterns and assets and created better connections to neighboring districts. The document identified four sub-areas that would form the basis for future redevelopment programs:

- The Gateway: A sub-area from Octavia Street to 11th Street. Growth and development would be encouraged in line with the existing neighborhood character. Land use patterns would be promoted in a similar manner with special attention to maintaining the area's vital regional transportation function.
- Mid-Town: A sub-area from Sixth Street to 11th Street. Several large vacant and underutilized sites, along with smaller infill opportunities, would be utilized for new major residential development that would complement the South of Market and North of Market communities, and intensive institutional and retail activity.
- Retail and Tourism District: A sub-area from Fourth Street to Sixth Street. Land use and other linkages would be encouraged between this sub-area and the retail and tourist activities on Fourth and Fifth Streets, and the arts, theater, cultural and entertainment activities of Yerba Buena Center.

- Arts and Entertainment District: A sub-area that overlays all others, focused on intensifying arts, theater, cultural and entertainment uses.

2. Reduction of the Mid-Market Survey Area in 2000-2001: Fifth Street to Eighth Street or Tenth Street

The Agency conducted a preliminary blight survey and analysis in October 2000, which was reconfirmed in May 2001. Based on these results, Agency staff recommended the reduction of the proposed Project Area boundaries to properties between Fifth Street to Eighth Street and all properties bounded by and fronting on Market Street and Mission Streets or an alternative boundary that also included those properties near to or adjacent to Mission Street between Eighth and Tenth Streets. Since then, Agency staff has conducted additional blight analyses, and consulted with area stakeholders and the Mid-Market PAC, to propose the current Project Area boundaries extending from Fifth to Tenth Streets along the Market and Mission Street corridors. Appendix A includes the legal description of the Project Area.

3. History of Community Participation in the Redevelopment Planning And Project Area Selection Process

The Redevelopment Plan is the culmination of many years of hard work by area residents, property owners, business owners, civic leaders, and the Redevelopment Agency. Since 1994, when initial discussions began at the urging of the Market Street Association (MSA), a non-profit membership organization that uses media, lobbying and the summer concert series "People in Plazas" to promote the development and improvement of Market Street, members of the community have worked closely with Redevelopment Agency staff to formulate a vision for the future of Mid-Market. The following is a summary of the history of redevelopment in Mid-Market from 1994 to the present.

In late 1994, MSA organized a meeting of property owners, civic leaders, and Redevelopment Agency officials to discuss the problems affecting Mid-Market. By early 1995, MSA approved a resolution requesting the establishment of a Redevelopment Survey Area, and the Redevelopment Commission subsequently authorized the Director of the Redevelopment Agency to work with the Mid-Market community to achieve this goal. Over the next year, MSA hosted a series of public discussions that brought together city officials, property owners, businesses, and residents of the area to share their views on the future of Mid-Market. Over the course of these discussions, the potential redevelopment area

came to be defined as the Market and Mission Street corridor between Fourth Street and Octavia Street.

The 1995 discussions hosted by MSA revealed a general consensus that the problems affecting Mid-Market included a severe lack of business vitality, physical deterioration, difficulty in developing vacant and underutilized land, high business vacancies and turnover, and depressed property values. Strong support was voiced for a new redevelopment initiative. Participants felt that the tools of redevelopment could help alleviate the area's blighted condition. In September 1995, the Redevelopment Agency Commission voted unanimously in favor of establishing the Mid-Market Survey Area and sent the action to the Board of Supervisors for approval. In December 1995, the Board approved the Mid-Market Survey Area. A Mid-Market Citizen's Advisory Committee (CAC) was then formed with members appointed by the Mayor. The CAC held its first official meeting in March 1996 and over the next few months laid the foundation for future planning work by drafting the first set of goals and objectives for the Mid-Market Survey Area.

Pursuant to CRL, in February 1997, Mid-Market community members elected representatives to sit on an advisory body to the Redevelopment Agency - the Mid-Market PAC, which replaced the CAC. Upon confirmation by the Board of Supervisors, members of the PAC began to further develop the goals and objectives drafted by the CAC and work with the Redevelopment Agency to create a common vision for the future of the area. Agency staff began working with the PAC to develop a Concept Plan for the Survey Area to define a vision for potential redevelopment. Completed in July 1998, the Mid-Market Concept Plan outlines a future for Mid-Market that builds on the area's existing assets and linkages to adjacent neighborhoods. Many current Redevelopment Plan concepts and proposals can be traced back to this vision document.

In late 1998, Agency staff began an effort to further define and focus the scope of the proposed Mid-Market Redevelopment Plan and Project Area boundaries. The first part of this analysis included the development of boundaries based on those areas showing the greatest signs of physical and economic blight. The results of preliminary blight analysis showed that the most blighted areas stretched from Fifth Street to the mid-block of Eighth Street, and included some parcels as far as Tenth Street, along the Market and Mission Street corridor. The second part of this effort included an exploratory analysis of consolidating the future proposed Mid-Market Redevelopment Project Area into the existing South of Market Earthquake Recovery Project Area. After much analysis and debate, the consolidation concept lacked overall consensus.

In early 2000, refinement of an independent Mid-Market redevelopment program took center stage. Throughout 2000 and 2001, PAC members and Agency staff embarked on a review of proposed goals, objectives, projects and programs highlighted by intensive community outreach efforts to solicit feedback. The "Mid-Market Community Caucus Series" in October and November 2001 provided 14 different venues for public and community input on the proposed goals and objectives of the Redevelopment Plan: a Redevelopment Commission workshop, a town hall meeting of the Board of Supervisors, and two rounds of six topic-specific community workshops. In all, approximately 200 community members and stakeholders attended the Mid-Market Community Caucus Series. Attendees represented a wide variety of constituent groups, including business owners, property owners, residents, SRO tenants, community-serving organizations, various neighborhood associations, and a range of City and Agency officials. Community input during the series was formally recorded and distributed to the Mid-Market PAC for a detailed review at PAC subcommittee working meetings. PAC members amended the proposed goals and objectives based on this community input.

During the summer of 2002, the proposed project boundaries from Fifth to Tenth Streets were established. In the fall of 2003, the Final Environment Impact Report (FEIR) for Mid-Market was certified by the Planning and Redevelopment Commissions. Activities in 2003 also focused on tackling tough policy issues, including limiting the power of eminent domain and proposing amendments to the Planning Code to support the Redevelopment Plan. The results of these outreach efforts, various project analyses, and policy discussions provide the basis for the currently proposed Redevelopment Plan.

Early 2004 marked the end of an intensive period of collaborative review of a draft Redevelopment Plan and proposed Planning Code amendments by PAC members and Agency staff. Final recommendations and comments were endorsed by the PAC and sent to the Agency and the Planning Department for formal review and feedback. 2005 marks the distribution of final draft documents for public review and final comment, including PAC meetings, community meetings, and formal public hearings before the Planning Commission, Redevelopment Commission and the Board of Supervisors.

III. REPORT ON URBANIZATION

A. INTRODUCTION

Under the CRL, a proposed project area must be urbanized and blighted. This Section documents the extent of urbanization in the Project Area. Sections IV and V provide substantial documentation that supports a finding that the Project Area is blighted and in need of redevelopment.

B. URBANIZATION METHODOLOGY

Conclusions regarding the extent of urbanization in the proposed Project Area are supported by the following:

- Field surveys
- Historic photographs
- Map included in the legal description of the proposed Project Area
- Aerial photographs
- Information provided by City staff

C. URBANIZATION REQUIREMENTS OF THE CRL

1. Reporting Requirements

Section 33344.5(c) of the CRL requires a description of the Project Area that is sufficiently detailed to permit a determination that a proposed redevelopment project area is predominantly urbanized. This section fulfills this requirement.

2. CRL Definition of a Predominantly Urbanized Area

The provisions of CRL Section 33320.1(b) and (c) pertaining to a definition of "predominantly urbanized" are as follows (excerpts from the CRL are italicized):

(b) As used in this section, "predominantly urbanized" means that not less than 80 percent of the land in the project area:

(1) Has been or is developed for urban uses; or

(2) Is characterized by the condition described in paragraph (4) of subdivision (a) of Section 33031 ; or

(3) *Is an integral part of one or more areas developed for urban uses which are surrounded or substantially surrounded by parcels which have been or are developed for urban uses.*

(c) *For the purposes of this section, a parcel of property as shown on the official maps of the county assessor is developed if that parcel is developed in a manner which is either consistent with zoning or is otherwise permitted under law.*

D. EXTENT OF URBANIZATION IN THE PROPOSED PROJECT AREA

1. Analysis

The Project Area meets the urbanization requirements of the CRL. The analysis supporting this conclusion is based upon the following three categories used in the definition of "predominantly urbanized" in Section 33320.1(b) of the law:

(1) **Area that Has Been or Is Developed for Urban Uses:**
All of the proposed Project Area has been or is developed for urban uses. This category includes approximately 82.42 acres (or 100 percent) of the total land within the proposed Project Area.

(2) **Inclusion of Areas Characterized by the Conditions Described in Subdivision (a)(4) of Section 33031:**
The Project Area is not characterized by substandard lots. Thus, no area that meets the description contained in paragraph (4), subdivision (a) of Section 33031 has been included for the purpose of the urbanization analysis.

(3) **Inclusion of Areas that are Integral Parts of Developed Areas:** No unurbanized area has been designated as an integral part of an area developed for urban uses.

2. Inclusion of Unurbanized Land for Planning Purposes

No unurbanized land has been included for planning purposes.

3. Inclusion of Agricultural Land

Section 33344.5(c)(3) of the CRL requires identification of lands in agricultural use within the boundaries of a redevelopment project (agricultural use is defined in Section 51201(a) and (b) of the Government

Code). No agricultural land is located within the boundaries of the Project Area.

E. CONCLUSION REGARDING URBANIZATION

The analysis presented above, and in Figure 2, Calculation of the Extent of Urbanization, and Exhibit 2, Urbanization Map, presented on the following pages, clearly demonstrates that 100 percent of the Project Area is predominantly urbanized, thus meeting the requirement that at least 80 percent of a redevelopment project area be urbanized.

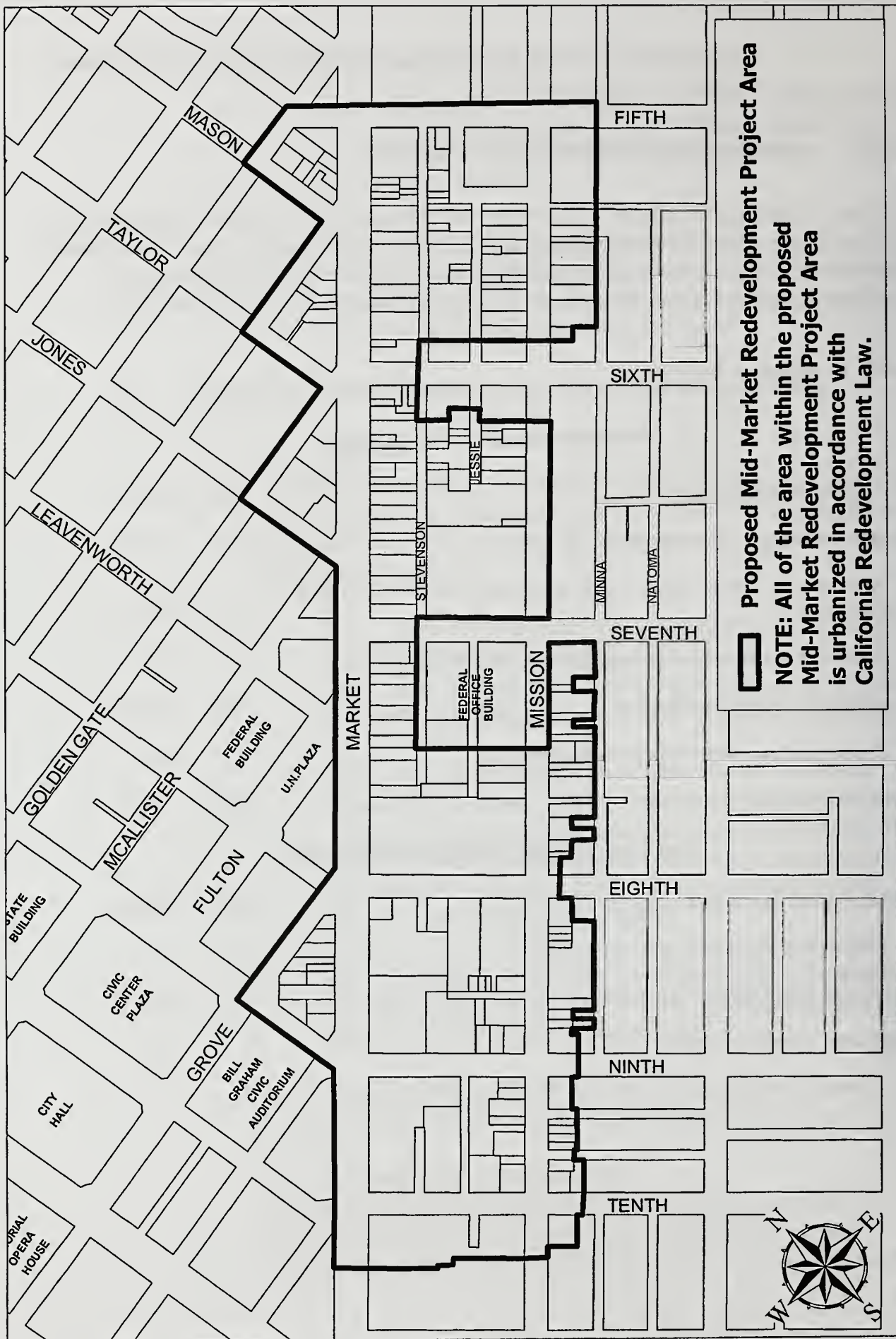
Figure 2: Urbanization Analysis

Part One: Extent of Urbanization

<u>Urbanization Categories</u>	<u>Acres</u>	<u>Percent</u>
1. Area that has been or is developed for urban uses.	82.42	100%
2. Area that is characterized by the conditions described in subdivision (a) (4) of Section 33031.	0	0%
3. Area that is an integral part of an area developed for urban uses.	0	0%
Total Predominantly Urbanized Area	82.42	100%
4. Unurbanized areas included for planning purposes.	0	0%
Total Urbanized and Unurbanized	82.42	100%

Part Two: Inclusion of Agricultural Land

<u>Urbanized And Unurbanized Categories</u>	<u>Acres</u>	<u>Percent</u>
1. Predominantly urbanized land in agricultural use.	0	0%
2. Non-urbanized land in agricultural use.	0	0%
Total Land in Agricultural Use	0	0%



Source: San Francisco Redevelopment Agency.

IV. ADVERSE PHYSICAL CONDITIONS

A. BLIGHT DEFINITIONS

In order for an area to be included in a redevelopment project, it must have at least one physical blighting condition, and at least one economic blighting condition. The blighting conditions must be so prevalent and substantial that they cause a reduction or lack of proper utilization of an area to such an extent that they constitute a serious physical and economic burden on the community that could not be alleviated without redevelopment.

Physical blighting conditions are defined as follows:

1. Buildings in which it is unsafe or unhealthy for persons to live or work. Serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or similar factors can cause these conditions.
2. Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. These factors can be caused by substandard design, inadequate building size given present standards and market conditions, lack of parking, or other similar conditions.
3. Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.
4. The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

The following blight analysis presented in Sections IV and V, including the "Blight Summary," demonstrates that the blighting conditions are prevalent and substantial in the Project Area. CRL Section 33352(b) also requires the Report to include a map showing where the blighting conditions exist in the Project Area. Exhibits 3 through 6 of this Report fulfill this requirement. Examples of the resulting proper lack of utilization of the area, the burden on the community resulting from the blighting conditions and inability of the private sector or governmental action or both without redevelopment are provided in the Introduction (Section I), the Selection of the Project Area (Section II), and included within the description of the blighting conditions presented in Sections IV and V of this Report.

B. OVERVIEW

The analysis of physical blighting conditions is based, in large part, on a parcel-by-parcel field survey conducted by *Whitted Dawson Associates* and *John B. Dykstra & Associates*, consultants to the Agency, during the summer and fall of 2002. Those conducting the survey were trained by an outside redevelopment consultant with over 30 years' experience in evaluating building conditions.⁴

While the field survey was the primary source of information for the analysis of physical blight, public records regarding unreinforced masonry buildings (UMBs) were also used to identify buildings that would be considered unsafe and/or unhealthy. UMBs are unsafe due to increased risk of severe damage during an earthquake that could cause serious injury or death to building occupants.

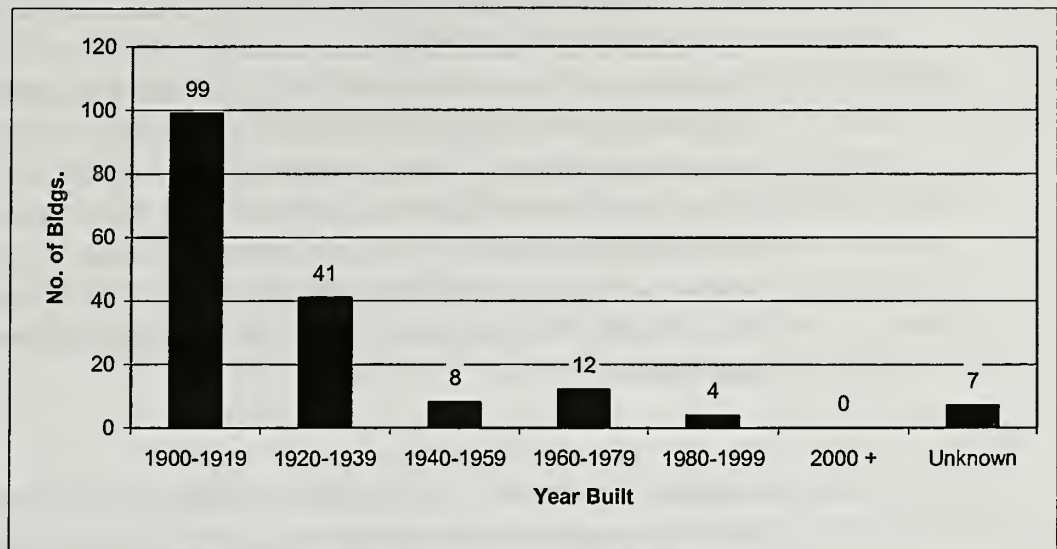
C. ADVERSE PHYSICAL CONDITION

1. General Condition and Age of Buildings in the Project Area

The building stock in the Project Area was largely built between the 1906 earthquake and 1940 (see Figure 3). Of the total 171 buildings, 140 (82 percent) were constructed before 1940, and 99 buildings (60 percent) were constructed before 1920. Many of the buildings were constructed of unreinforced masonry, a common construction technique during these periods. As discussed below, the extensive historic use of unreinforced masonry has created a situation where many of the buildings are unsafe because they may incur severe damage in an earthquake.

⁴ John B. Dykstra of John B. Dykstra & Associates.

Figure 3: Age Distribution of Buildings in the Project Area



Source: Metroscan

By the 1950s, the Project Area had begun to decline, and the upkeep of many buildings declined. The gradual disinvestment that has occurred is evident in the deterioration and dilapidation that can be observed from the buildings' exteriors. As discussed in the following text, many of these buildings have become unsafe and unhealthy for use or occupancy.

2. Evidence of Unsafe and Unhealthy Buildings

Due to the close proximity of several active earthquake faults, and the presence of numerous UMBs throughout the City, local officials have taken a number of steps to reduce the threat of severe damage and loss of life that could occur in the event of a significant earthquake. These concerns are particularly relevant to the Project Area due to the large number of UMBs. The hazards posed by these conditions are described in more detail in the following paragraphs.

(1) Earthquake Hazards

Significant earthquake hazards affect the area within the boundaries of the Project Area. These hazards include proximity to active earthquake faults; the high probability of future earthquakes; and buildings that, because of their age, structural type, or condition, are susceptible to damage from seismic events.

(2) The Loma Prieta Case Study

The Loma Prieta earthquake (Loma Prieta) was a magnitude 6.9-7.1 on the Richter Scale earthquake that occurred on October 17, 1989.⁵ Centered near Loma Prieta peak in the mountains south of San Jose along the San Andreas Fault, the earthquake killed 63 people and caused an estimated \$6 to \$10 billion in property loss.⁶ It was the first large earthquake to hit the Bay Area since the great San Francisco earthquake of 1906 (magnitude 7.8). Though more than 50 miles from the epicenter, dense and highly urbanized San Francisco and Oakland suffered more than 70 percent of the deaths and property damage caused by the earthquake.

(3) The San Andreas Fault

The San Andreas Fault runs nearly the entire length of western California, approximately 650 miles from just north of the Mexican border to the Mendocino coast. It is a very active tectonic boundary that directly affects the lives of more than 20 million people. The San Andreas Fault is also the best defined and most active earthquake fault in the San Francisco Bay Area. It is approximately 9.5 miles southwest of the Project Area and has the predicted capability of generating a greater than 8.0 magnitude quake on the Richter Scale. Such a quake would cause serious damage and loss of life in San Francisco, as illustrated by the Loma Prieta case study above. Earthquakes that have involved the San Andreas Fault include the San Francisco earthquake of 1906, the San Fernando earthquake of 1971, the Loma Prieta earthquake of 1989, the Landers earthquake of 1992, and many lesser temblors.

(4) The Hayward Fault

The Hayward Fault extends more than 53 miles along the westerly edge of the East Bay hills from the Warm Springs District of Fremont northwesterly to San Pablo Bay and is a major branch of the larger San Andreas Fault system. It is located approximately 19 miles from the eastern limits of San Francisco. In the last 200 years, major earthquakes along this fault were reported in 1836 and 1868. The 1868 earthquake, known as the "1868 San Francisco earthquake" was felt all over northern California and Nevada. The following description is taken from USGS Professional Paper 1515, "The San Andreas Fault System, California" by Dr. William Ellsworth:

⁵ The Richter Magnitude Scale is a measure of earthquake magnitude based upon the amount of energy released as determined by local effects on people, earth materials and structures.

⁶ US Geological Survey (USGS) Fact Sheet 151-99, "Understanding Earthquake Hazards in the San Francisco Bay Region: Progress Toward a Safer Future Since the 1989 Loma Prieta Earthquake."

Known as the "great San Francisco earthquake" until 1906, one of California's most destructive earthquakes occurred on October 21, 1868, resulting from a slip on the Hayward Fault. Heavy damage occurred in communities situated along the fault and in San Francisco and San Jose. Sadly, many of the engineering lessons learned from this earthquake and openly discussed at the time, such as the hazards of building on "made ground" reclaimed from the San Francisco Bay or the admonition to "build no more cornices," were long forgotten by the time of the 1906 quake.

The Hayward Fault is considered a prime candidate for a 7.0 magnitude Richter Scale earthquake within the next 30 years.⁷ As illustrated by the 1868 San Francisco earthquake, a major seismic event along the Hayward Fault would produce damage and potential loss of life throughout the San Francisco Bay Area, including San Francisco.

(5) The Calaveras Fault and Other Earthquake Faults

The Calaveras Fault is an active fault located approximately 28 miles to the east of San Francisco, located near or within several urban areas, including Hollister, Gilroy, San Jose, Milpitas, Fremont, and the cities of the San Ramon Valley. Moderate earthquakes between 4.0 and 7.0 magnitudes on the Richter Scale occur frequently along the fault. A total of 26 earthquakes greater than 5.0 magnitude on the Richter Scale have occurred on the Calaveras Fault since the mid-1800s.⁸ The Calaveras Fault has the potential to cause loss of life and property for people in the South and East Bay areas and, to one degree or another, poses a risk to San Francisco.

There are other known active faults that pose a potential danger to San Francisco, such as the San Gregorio Fault, less than 20 miles east of the city, and the Rodgers Creek Fault, Concord-Green Valley Fault, and Greenville Fault, which are more than 20 miles east and northeast of San Francisco.

⁷ Source: Berkeley Seismological Laboratory website.

⁸ Source: UC Davis Department of Geology website.

(6) Probabilities of Future Earthquakes

USGS and other scientists predict that there is a 62 percent probability of at least one earthquake of 6.7 magnitude on the Richter Scale or greater, capable of causing widespread damage, striking somewhere in the San Francisco Bay region before 2032.⁹

The San Andreas Fault, the Hayward and Rodgers Creek Faults and the Calaveras Fault figure high in this estimate and pose the greatest threats due to their high quake odds and because they run through the region's urban core. A future quake, if centered closer to San Francisco, along any of these fault lines will likely cause significant damage.

For example, scientists also estimate that if the Loma Prieta quake had struck closer to San Francisco, losses could be on a scale similar to those that occurred in Kobe, Japan in 1995. The USGS points out:

"Since the great earthquake of 1906, no major quake has been centered near a densely urbanized part of the San Francisco Bay region. Although the 1989 magnitude 6.9 Loma Prieta quake killed more than 40 people in the region's urban core, it was centered in mountainous country 50 miles south of San Francisco. In 1995, when a quake of the same magnitude struck Kobe, Japan, another bayside urban area thought to be well prepared for earthquakes, more than 6,000 people died and the damage amounted to \$100 billion. Had the Loma Prieta quake been centered in San Jose, Oakland, or San Francisco, similar losses could have occurred."

The probabilities of a serious earthquake for each of the major earthquake faults are illustrated in Exhibit 3 at the end of this Section.

⁹ USGS Fact Sheet 039-03; "Understanding Earthquake Hazards in the San Francisco Bay Region; Is a Powerful Quake Likely to Strike in the Next 30 Years?" 2003.

(7) Unreinforced Masonry Buildings

UMBs consist of structures without any steel reinforcing. These masonry buildings were constructed in an era when reinforcing was generally not used. Anchorages between walls and floor and walls and roofs were generally missing or inadequate, and the use of low strength lime mortar was common. Earthquake damage to UMBs can be severe and hazardous. A lack of reinforcement, coupled with the poor quality mortar and inadequate roof-to-wall ties, can result in substantial damage to specific sections of a building or even the collapse of a building as a whole. Severely cracked or leaning walls are the most common forms of earthquake damage to UMBs. Also hazardous, but slightly less noticeable, is the damage that may occur between walls, and between walls and roof or floor diaphragms. Separation between the framing and the wall can jeopardize the vertical support of roof and floor systems, which could lead to the collapse of the structure.¹⁰ UMBs can be unsafe for persons to occupy. As described in a report by the State's Seismic Safety Commission:

"When earthquakes occur, inadequate connections can allow masonry to fall and floors and roofs to collapse leaving occupants and passers-by in harm's way. The risks to life can be significantly reduced with seismic retrofits."¹¹

It should be noted that even UMBs that have been retrofitted to improve their safety could still be hazardous in the event of a major earthquake. The introductory language to Section 16B – Earthquake Hazard Reduction in Unreinforced Masonry Bearing Wall Buildings – of the San Francisco Building Code acknowledges this conclusion:

¹⁰ The general description of UMBs and the hazards associated with them is from the Association of Bay Area Governments (ABAG) website as of December 2002.

¹¹ Source: "2000 Biennial Report to the Legislature, Status of the Unreinforced Masonry Building Law," Seismic Safety Commission, p. 2.

*"The provisions of this section are intended as minimum standards for structural seismic resistance for earthquake ground shaking and are established primarily to reduce the risk of life loss or injury. Compliance with these provisions will not necessarily prevent loss of life or injury, or prevent earthquake damage to rehabilitated structures, or protect against the release of hazardous materials, or protect the function of essential facilities. These provisions are not intended to mitigate ground failure hazards such as liquefaction."*¹²

UMBs in the Project Area were identified from the City's database of UMBs as of September 2003. The City's UMB Ordinance, Ch. 16B of the Building Code, requires owners of UMBs to evaluate and, if necessary, upgrade their buildings to better withstand seismic forces in the event of an earthquake. The City has identified a total of 60 UMBs in the Project Area, 35 of which had been retrofitted as of September 2003. Therefore, 25 UMBs have not been seismically upgraded, totaling approximately 15 percent of the total 171 buildings in the Project Area. These findings are summarized in Figure 4. The location of the UMBs are illustrated in Exhibit 4.

Figure 4: Project Area Unreinforced Masonry Buildings

	No.
Total UMBs (hazardous and potentially hazardous)	60
Retrofitted UMBs (potentially hazardous)	35
Non-retrofitted UMBs (hazardous)	25

Source: San Francisco Department of Building Inspection, September 2003

¹² Source: City and County of San Francisco Building Code, Section 16B – Earthquake Hazard Reduction in Unreinforced Bearing Wall Buildings.

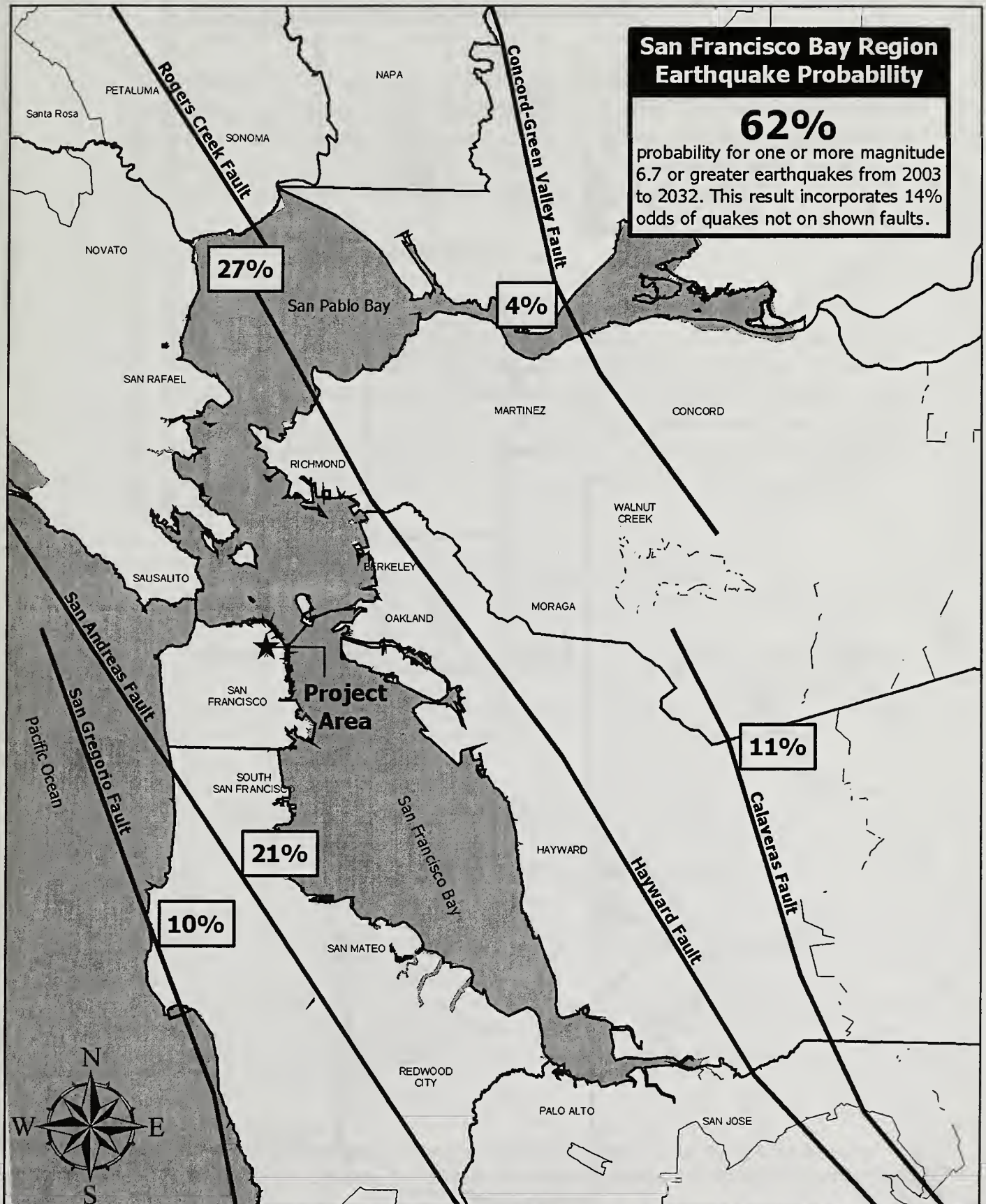
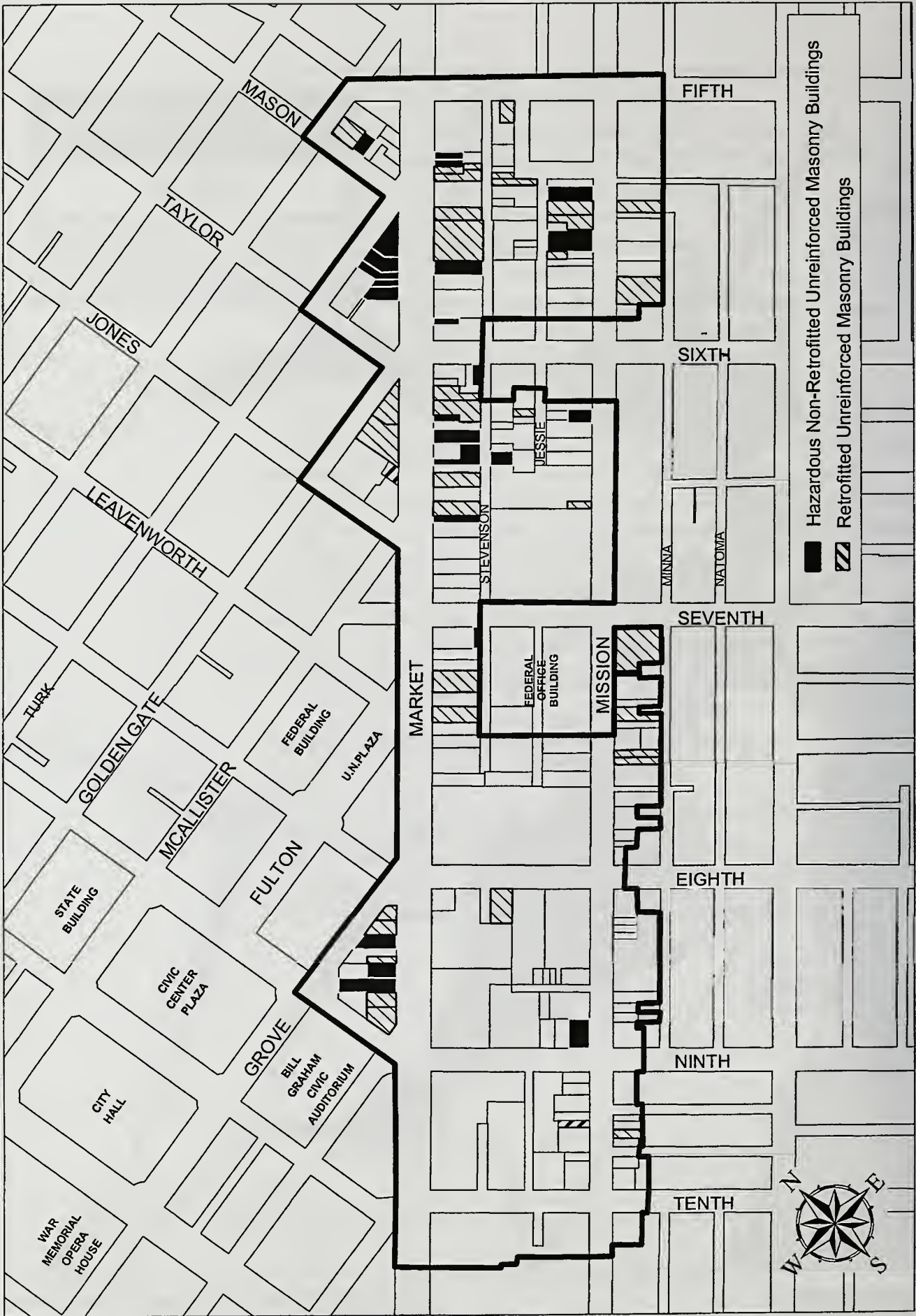


EXHIBIT 3
Earthquake Probabilities

Proposed Mid-Market Redevelopment Project Area
Source: U.S. Geological Survey Map and the CA Department of Conservation, Division of Mines and Geology.



SIU EXHIBIT 4 **IRM Unreinforced Masonry Buildings**

D. BUILDING CONDITIONS SURVEY

The purpose of the field survey was to determine the location, types and prevalence of physical blighting characteristics impacting the Project Area. The survey was conducted from the sidewalk or public right-of-way and included visual observation of the condition of buildings and parcels. The building portion of the survey was limited to "major" buildings; i.e., sheds and other ancillary structures were not included.

1. Field Survey Methodology

Each building was assigned to one of five general condition categories by the surveyor based upon the conditions observed and noted on the survey form (see Figure 5). The conditions that were noted for each building and parcel are described in greater detail in the following paragraphs. General condition ratings ranged from 1 (worst condition) to 5 (best condition) based upon the conditions observed and the relative cost of correcting the problems observed to a degree sufficient to ensure a relatively long-term physical and economic life (20-40 years).¹³

Figure 5: General Building Condition Categories

Rating	General Condition	Likely Cost of Correcting Deficiencies
1	Very Extensive Physical Deficiencies	Very High
2	Extensive Physical Deficiencies	High
3	Generally Good Condition, Some Deficiencies	Significant
4	Relatively Few Physical Deficiencies	Low to Moderate
5	Very Good to Excellent Condition	Minor to Low

Source: Guidelines, Table 1

¹³ All of these conditions are defined in greater detail in the "Existing Conditions Survey Forms & Guidelines" ("Guidelines") prepared by John B. Dykstra & Associates for the Agency and included in the Appendix of this Report.

2. Building Conditions Survey Results

Results of the field survey indicate that the buildings in the Project Area are generally in poor condition. As previously stated, surveyors assigned each building in the Project Area to a "General Building Condition" category based upon the building deficiencies observed and "the relative cost of correcting building deficiencies, code compliance problems, and seismic safety problems to a degree sufficient to ensure a relatively long-term physical and economic life (i.e., 20-40 years)."¹⁴ As shown in Figure 6, 30 percent of the buildings had "Very Extensive Physical Structural Deficiencies," and 40 percent had "Extensive Physical Deficiencies." The location of these buildings is illustrated on Exhibit 5.

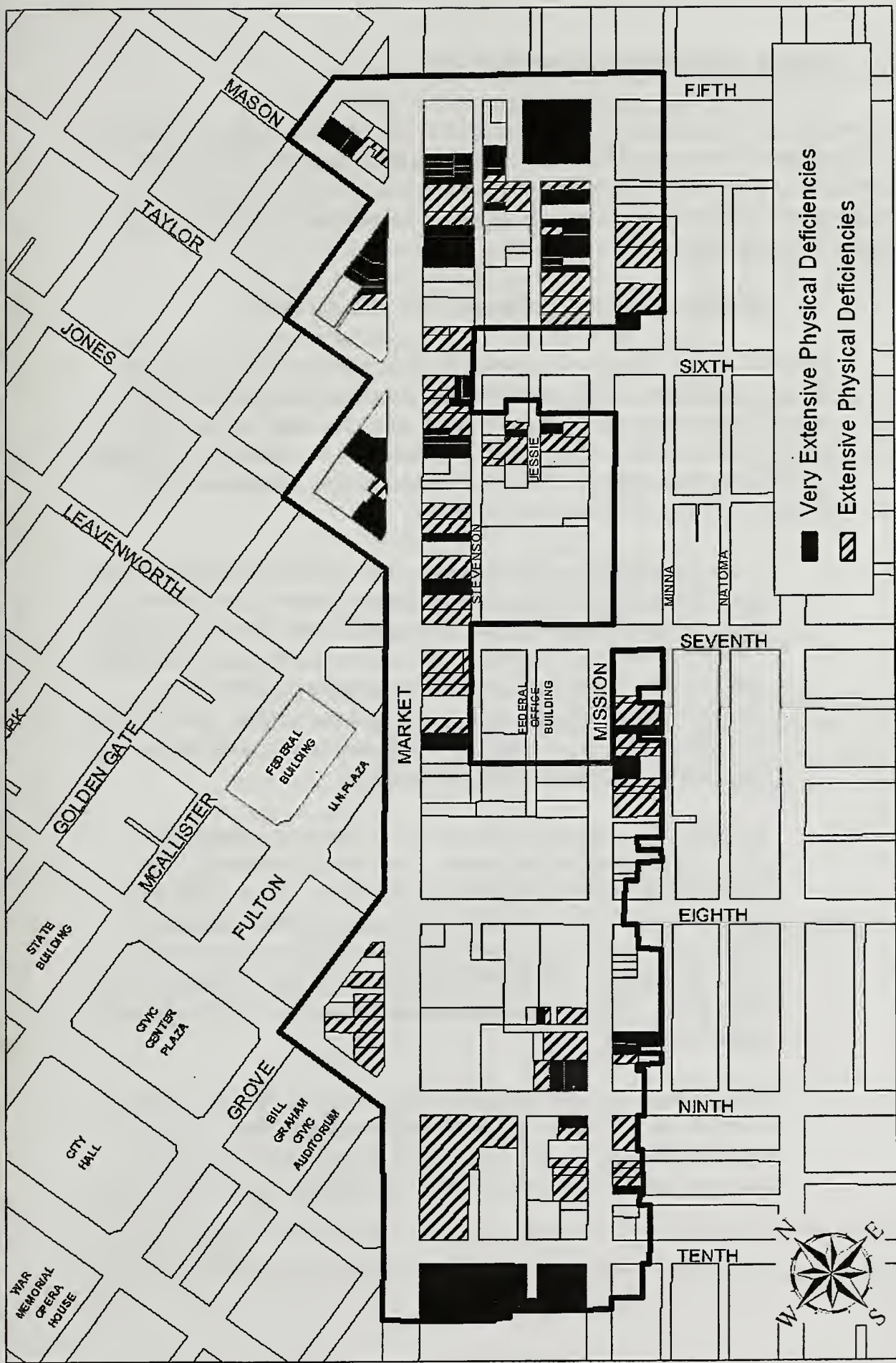
Figure 6: General Building Conditions

Rating	Description	Number of Buildings	Percent of Total
1	Very Extensive Physical Deficiencies	51	30
2	Extensive Physical Deficiencies	68	40
3	Generally Good Condition, Some Deficiencies	40	23
4	Relatively Few Deficiencies Present	5	3
5	Very Good to Excellent Condition	5	3
--	Unknown	2	1
	Total	171	100

Source: Whitted Dawson, John B. Dykstra & Associates Field Survey

Combined, 70 percent of the buildings in the Project Area were in poor physical condition and required repairs that would either be "high" or "very high" in costs to correct according to the field surveyors. These buildings are also most likely to have conditions that are unsafe and/or unhealthy for persons to live in or work in. These findings are consistent with public records indicating the high number of UMBs in the Project Area, many of which have not been upgraded to meet the City's seismic retrofit requirements.

¹⁴ John B. Dykstra & Associates, "Existing Conditions Survey Forms & Guidelines," July 5, 2002.



Proposed Mid-Market Redevelopment Project Area

Source: Field Survey, Whitted Dawson & Associates, John B. Dykstra & Associates, Summer and Fall 2002.

ISIRI EXHIBIT 5

IRA Building With Extensive and Very Extensive Physical Deficiencies

E. PUBLIC IMPROVEMENT DEFICIENCIES

Property owners and developers can be inhibited in their efforts to upgrade or redevelop their properties if the public facilities and utilities needed to serve the properties are inadequate or non-existent. If, for example, traffic circulation is poor or public infrastructure and utilities are inadequate, public sector involvement will be needed to alleviate these conditions.

1. Inadequate Public Streetscapes and Infrastructure

Many of the streetscapes in Mid-Market weather high pedestrian, bicycle and vehicular movements as discussed in the next paragraph. This has caused general deterioration of the sidewalks, curbs, and pavement. A Project Area commercial tenant offers first-hand observations on the how the lack of ongoing maintenance or improvement to the Project Area's streetscapes affects the pedestrian environment and public perception:

"The current condition of the sidewalk, curb and gutter contributes to the back alley feel. This condition exists from the corner of 7th & Market to Stevenson and affects all of our patrons, especially those who approach our location from public transit. While many of the merchants along this path regularly attempt to clean the sidewalks; the condition of the walkway makes it difficult to sweep and hose the surface. When washed or in wet weather, the sidewalk is left with small pools of standing water that makes walking unsafe and unpleasant.

In addition, the street surface at the curb is marked by several deep potholes that collect standing water. The water is a combination of drainage from washing, urination, and food waste. Once it collects in these wells, the mixture stagnates and quickly becomes malodorous. This condition runs the length of the block and is considerably worse behind our building, on Stevenson, where people frequently urinate and the wells are broader. The lighting along these paths make it a frequent target for urination.

Over 8,000 people walk through our doors on a monthly basis. We are the destination for School of the Arts students during the school day; school-aged children at the LINES Ballet School; dancers from the company; and adults before and after their workday. We are an active

center 363 days of the year. The effects of the above conditions make our facility very unfriendly to approach by our patrons.”¹⁵

2. High Pedestrian Volumes and Accidents

Market Street is one of the primary thoroughfares in the City. As such, it is the focal point of a great deal of public transportation, pedestrian, automobile and bike movement that connects various portions of the City. In addition, both Market and Mission Streets provide commercial delivery access for properties that lack rear alley or side street access for loading.

An analysis of pedestrian movement in the Project Area and South of Market¹⁶ identified several intersections in and around the Project Area with heavy pedestrian volumes but without striped crosswalks at all approaches, which makes street crossing difficult. These include:

- North side of Polk Street at Fell Street
- North side of Fell Street at Polk Street
- North side of Grove Street at Hyde Street
- South side of Eddy Street at Cyril Magnin Street

The analysis also identified intersections in or directly adjacent to the Project Area where multiple pedestrian accidents have occurred over the five-year period from 1995 – 1999. As shown in Figure 7, four intersections within the Project Area were identified as having relatively high accident rates (an average of 2 or more per year):

Figure 7: Pedestrian Accidents, 1995 - 1999

<u>Intersection</u>	<u>No. of Accidents</u>
Golden Gate Avenue/Market Street	12
Cyril Magnin Street/Market Street	12
Golden Gate Avenue/Jones Street	10
Hyde Street/Market Street	10

Source: CHS Consulting Group

¹⁵ David Dial, Interim Executive Director, Alonzo King's LINES Ballet and San Francisco Dance Center, 26 Seventh Street, March 2005.

¹⁶ CHS Consulting Group, "Mid-Market and South-of-Market Redevelopment Area Transportation Study," 2002.

While there is no specific threshold at which the City's Department of Parking and Traffic (DPT) takes action, DPT has implemented various projects aimed at improving pedestrian circulation and safety throughout the City. These include the installation of red light cameras, mast-arm traffic signal upgrades, pedestrian safety campaigns, pedestrian countdown signals, improved crosswalk markings, sidewalk widening, new WALK/DON'T WALK pedestrian signal heads, bulb-outs at corners (to reduce pedestrian crossing distances), and mid-block pedestrian crossings. High pedestrian accident locations, such as those identified above, are candidates for these types of improvements.

In response to these concerns, a number of programs have been identified in the Redevelopment Plan to help alleviate these conditions. These include streetscape improvements, rehabilitation of and creation of new public spaces, pedestrian street lighting, and way finding signage. The planning and installation of these improvements will be carefully coordinated with appropriate public agencies and City departments, with input from the community, the PAC and other stakeholder groups. The programs proposed to alleviate the blighting conditions and the inadequate public improvements are described in Section VI of this Report.

V. ADVERSE ECONOMIC CONDITIONS

Economic blighting conditions are defined as follows:

1. Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of agency authority.
2. Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.
3. A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
4. Residential overcrowding or an excess of bars, liquor stores, or businesses that cater exclusively to adults that has led to problems of public safety and welfare.
5. A high crime rate that constitutes a serious threat to the public safety and welfare.

Secondary sources of data were used to analyze adverse economic conditions. These secondary sources included data gathered by City agencies (such as crime statistics from the San Francisco Police Department), real estate transaction databases, broker interviews, websites and newspaper articles. Appendix B cites newspaper articles and broker interviews consulted in the blight analysis. In most cases and where appropriate, data for the Project Area from secondary sources was analyzed and compared to data for either the City as a whole or for the City's downtown district. For example, the analysis of crime data compares crime rates for Project Area to crime rates for the City over the same time frame while the analysis of impaired investments is compared to the larger downtown area of which Mid-Market is considered a part.¹⁷

¹⁷ According to Colliers International, downtown San Francisco consists of the following locations: North Financial District, South Financial District, Union Square, Yerba Buena, SOMA West, SOMA East, Civic Center/Mid-Market, Jackson Square, North Waterfront, Van Ness Corridor, Potrero West and Potrero East. Grubb & Ellis also includes the Project Area in its downtown San Francisco geography but with slightly differently delineated subareas: Financial District, North Waterfront, Jackson Square, Union Square, Yerba Buena, SOMA, and Van Ness/Civic Center.

A. IMPAIRED INVESTMENTS

1. Overview

The Project Area has a long history of high crime, loitering and minimal property investment and has traditionally been viewed as an undesirable location to work and/or live. Since commercial and office uses are the dominant land use in the Project Area, transaction, leasing and vacancy data for commercial office properties are the focus of this analysis. The following is based upon interviews with real estate brokers¹⁸ familiar with the Project Area and secondary data collected as a part of this analysis. An initial detailed analysis of real estate market conditions was conducted in 2000. These data were re-analyzed and updated in late 2002 and early 2005.

In addition to the real and perceived problems of crime and loitering, much of the commercial office space in the Project Area is considered class "B" or "C" office space by the real estate brokerage community, which is less desirable than modern class "A" space.¹⁹ A few select office buildings along Market Street are class "B" or "B minus" buildings while much of the remaining office space on Market Street, Mission Street, and the east-west cross streets is "C" quality and below according to local brokers. There is a limited amount of specific data available for market conditions in the Project Area due to the fact that only conditions in the class "A" office market are tracked closely and consistently by real estate professionals. Nevertheless, by utilizing information gathered through broker interviews, a visual review of the Project Area, and newspaper and journal

¹⁸ November 2002 phone interviews with representatives from Colliers International, BT Commercial, Whitney Cressman and Halladie Plaza Property Management. See Appendix for list of brokers interviewed.

¹⁹ Classifications are based upon definitions provided in the ULI *Office Development Handbook, Second Edition, 1998* and are as follows:

Class A properties are investment-grade buildings, generally the most desirable in their markets, offering an excellent location and first-rate design, building systems, amenities, and management. Class A buildings command the market's highest rents and attract creditworthy tenants. While some older properties can be renovated and repositioned as Class A properties, Class A space usually is limited to primarily new, highly competitive buildings.

Class B buildings are those with good locations, management, and construction, and little functional obsolescence or deterioration. Class B space is found generally in well-located buildings of an earlier generation that have been maintained to a high standard. Class C buildings are substantially older than Class A and Class B buildings and have not been modernized. Class C buildings are often functionally obsolete and often contain asbestos or other environmental hazards. While data for Class A and Class B office space are available in most markets, Class C space is seldom tracked with any accuracy. Definitions of Class C space, even within a single market, are not standard. Their low values make many Class C office buildings potential candidates for demolition or conversion to other uses.

articles on the condition of the real estate market in the Mid-Market area, general conditions could be identified.

The poor economic conditions in the Project Area are exacerbated by crime problems and the negative perception of the Project Area, with one broker referring to one block of the Project Area as "the armpit of San Francisco."²⁰ Due to crime and other blighting conditions, the class B and C office space in the Project Area cannot compete with class B and C office space in other parts of downtown San Francisco.

The Project Area went through a brief upswing in leasing and property acquisition when the internet economy reached its peak in the spring of 2000. Office rents in the central City, including the Project Area, soared and vacancy rates fell below 2 percent. By late 2002, the Project Area returned to its undesirable status. For example, according to local brokers interviewed in late 2002, lease rates for office space in the Mid-Market area were at pre-1997 levels. One broker offered a less flattering opinion, "Mid-Market was horrible before the boom, horrible during the boom and horrible now."

2. Real Property Sales and Sales Prices

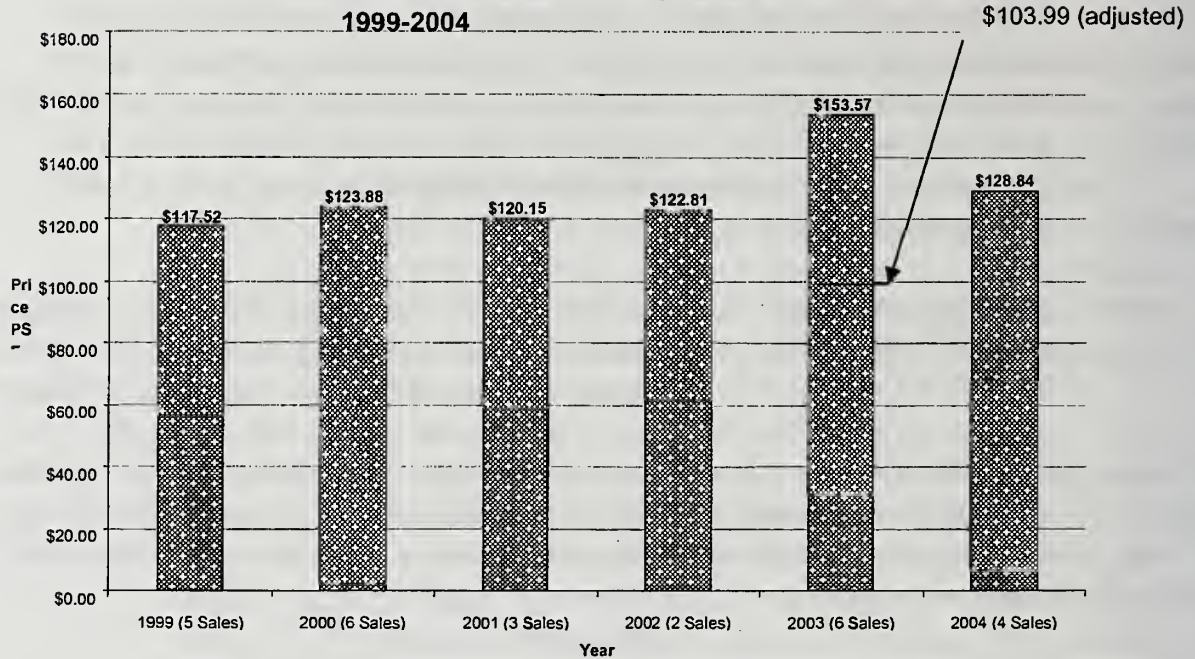
Property sales data from the period January 1999 through December 2004 were reviewed for the Project Area.²¹ Complete transaction data were found for 26 property sales. Of the 26 transactions, 20 represent commercial and/or office transactions. In 2002, commercial and office sales in Mid-Market had slowed (2 total sales, one of which was commercial), consistent with the lack of commercial investment throughout downtown San Francisco during this time. Similarly to the downtown office market, sales have increased since 2002, with 2003 generally being viewed as the "comeback" year for the commercial real estate market in general.

The following charts illustrate the overall characteristics of Mid-Market transactions from 1999 through 2004 showing both the yearly average price per square foot for all transactions occurring from 1999 through 2004 (Figure 8) and the yearly average price per square foot by land use (Figure 9). Upon close inspection, the details of these Mid-Market transactions show impaired investments.

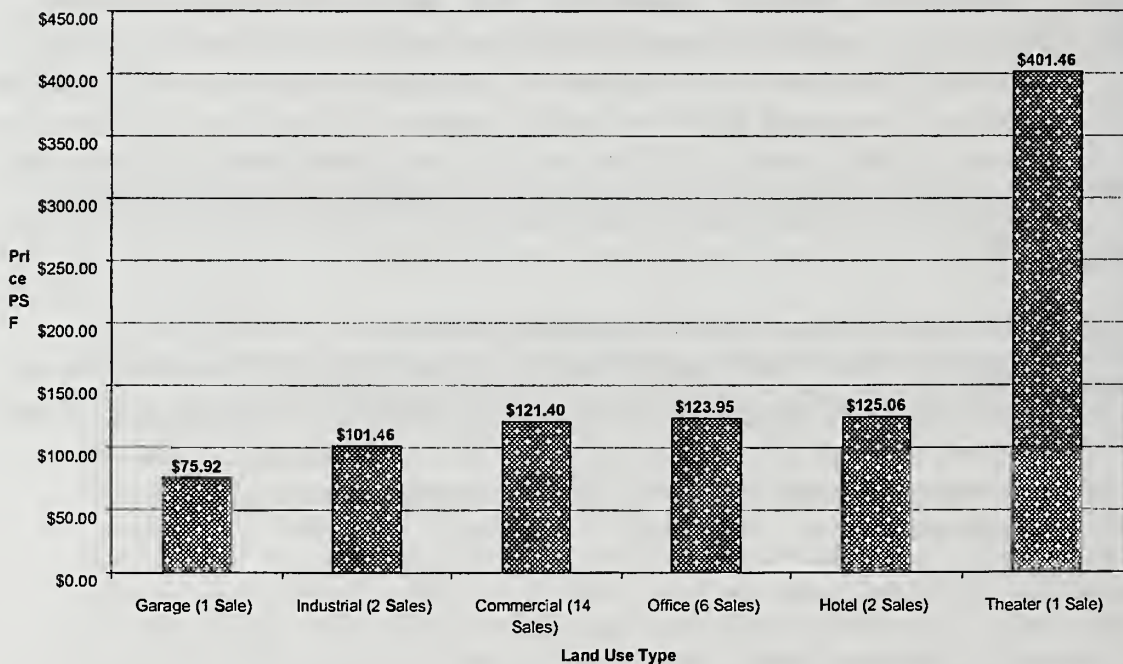
²⁰ "Mid-Market Turns to Skid Market," *San Francisco Business Times*, April 9, 2001.

²¹ Source: Mary Lyons, Senior Vice President, Office Group, Grubb & Ellis Company.

**Figure 8: Yearly Average Price Per
Total Mid-Market Property Sales:**



**Figure 9: Average Price Per Square Foot by Land
Use Type Total Mid-Market Property Sales: 1999-2004**



Overall, there were 26 total transactions for 23 different properties in the Mid-Market Project Area, with 3 properties being sold twice over the 6 year span from 1999-2004. The number of transactions for all space was highest in year 2000 (6 transactions), at the height of the "dot-com" boom before the eventual recession, and in 2003 (also 6 transactions), the year that marked an ease in the recession for San Francisco though a positive turnaround in vacancy rates for the larger downtown, with enough investors taking advantage of the rock bottom prices.

Remarkably, the average price per square foot stayed essentially the same for all property transactions from 1999 through 2004 in the Project Area (after adjusting for an anomaly in 2003 as described below) as shown in Figure 8. This stagnation in property values suggests that Mid-Market operates somewhat outside of the larger economy and supports observations by area brokers that while Mid-Market was poised to take advantage of the strong office and commercial economy in 2000, it didn't actually benefit from lasting investment. The apparent spike in the average price per square foot for 2003 does not show an overall rise in the overall value of property, but instead represents a unique theater sale as illustrated in Figure 9. The Crazy Horse Theater sold for over \$400 per square foot in 2003 and remains an active adult use in a district that is already oversaturated with adult uses, particularly adult theaters. The average price per square foot for 2003 not including this anomaly is \$103.99.

To further illustrate Mid-Market's dynamics, in 2000, the single largest purchase occurred at 1035 Market Street, where ambitious plans were underway to renovate several adjacent older office buildings into one Class A structure. At \$7.75 million for approximately 109,375 square feet, this transaction alone constitutes a third of all the money invested and half of all property purchased in Mid-Market in 2000. In late 2002, construction on the project halted with an indefinite timeline for the project's completion. According to the leasing agent at the time, "The project is no longer doable unless a city or federal government tenant is interested. We are not seeking tenants because there are none. There is no market." As of February 2005, major construction has been completed (except for tenant improvements), but the property still sits entirely vacant awaiting an interested tenant. According to property management, prospective tenants are unwilling to commit to the building given the surrounding conditions in the Project Area, despite the physical improvements and investment in the building.

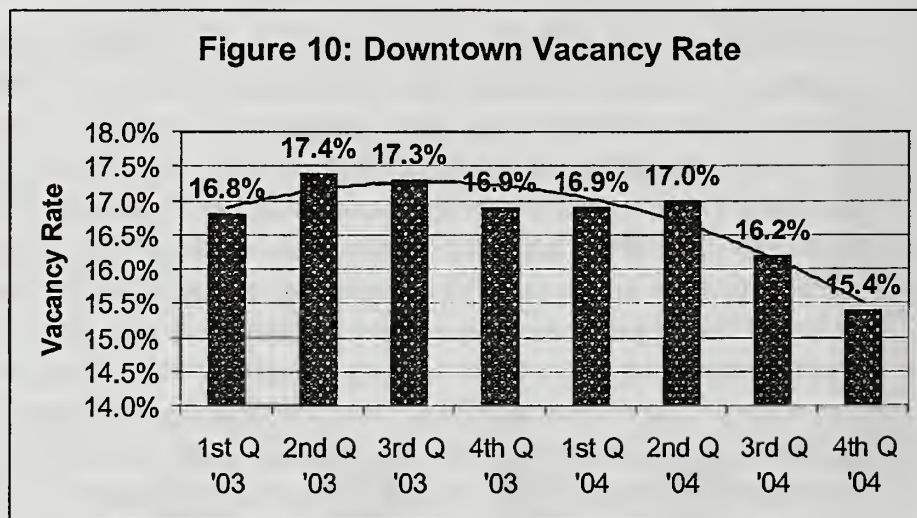
Another substantial sale in the Project Area occurred at 942 Mission Street in 2000. This 24,000 square foot property was purchased for \$4.3 million or \$179 per square foot. The owner did considerable amounts of renovation in hopes of

re-tenanting the building at higher lease rates. As of late 2002, the project had not been leased and was for sale. The property (with an additional 1,000 square feet) sold again in 2003 for only \$3 million or \$120 per square foot.

These two faltering projects represent approximately 50 percent of the total sales volume in the Project Area in the year 2000 and serve as examples of the difficult nature of private sector investment in the Mid-Market area, even in the best of times. According to local brokers at the end of 2002, there had only been one successful private sector development in Mid-Market in 2000. 989 Market was leased at approximately \$50 per square foot to three large credit tenants. All other efforts to close real estate transactions requiring considerable private sector investment in the Project Area had failed, according to local brokers. As of February 2005, while the 989 Market tenants are bound to their \$50 per square foot lease, approximately 26,000 square feet of office space in this building is currently being leased for only \$18 per square foot.

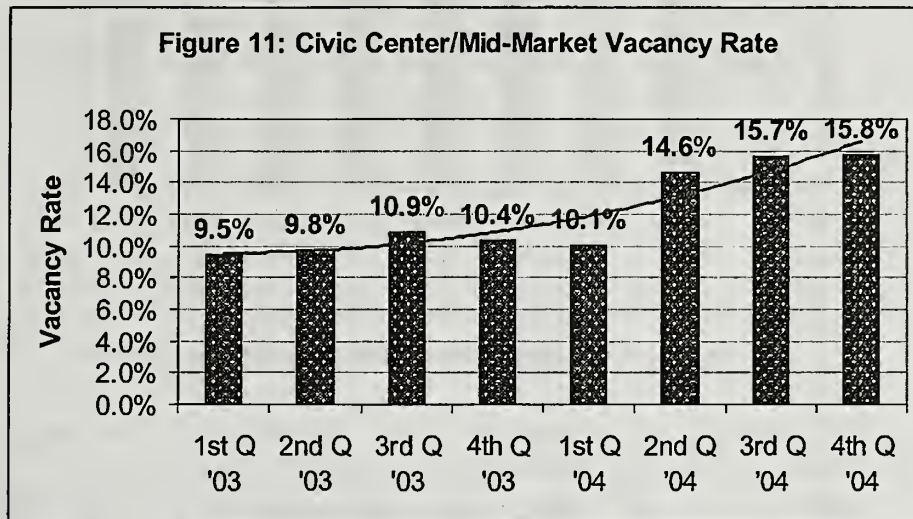
B. ABNORMALLY HIGH BUSINESS VACANCIES AND LOW LEASE RATES

The San Francisco office market is steadily recovering from one of its worst downturns in history. Estimated vacancy rates for downtown San Francisco as of the fourth quarter of 2004 are at approximately 15.4 percent,²² down from the 16.8 percent at the beginning of 2003 (Figure 10).

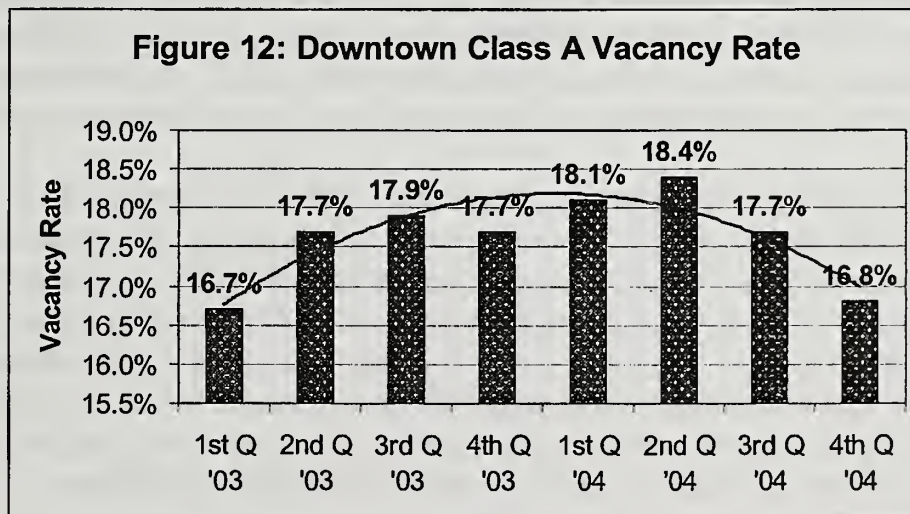


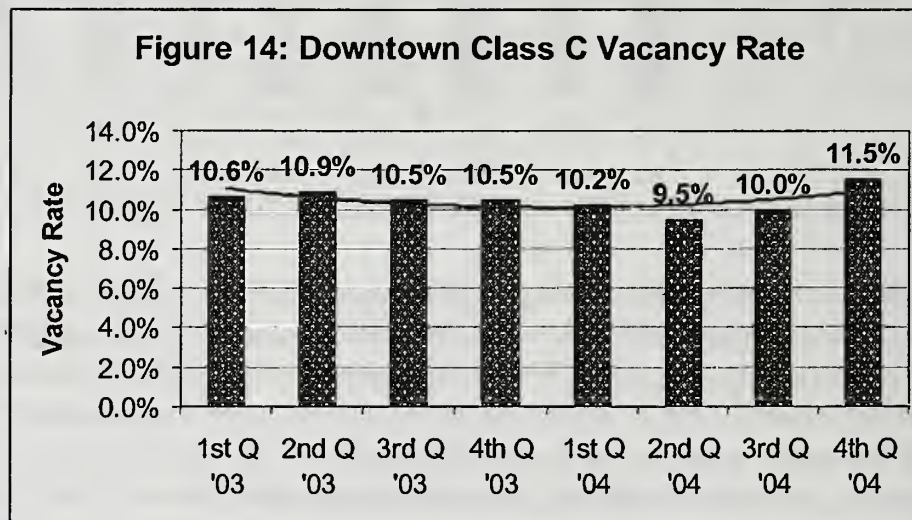
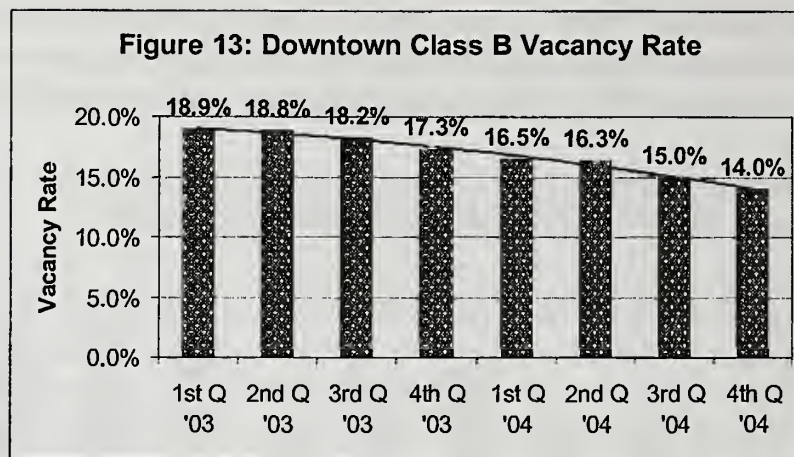
²² Colliers International, Office Market Report, Fourth Quarter 2004.

Meanwhile, year-end 2004 vacancy rates have increased to 15.8 percent in the Civic Center/Mid-Market subarea, the subarea that most closely approximates the market dynamics of Mid-Market Project Area, up from 9.5 percent at the end of 2003 (Figure 11).



According to local brokers, leasing is extremely difficult in the Mid-Market area as the supply of approximately 16 million square feet of available space throughout downtown San Francisco is typically better located than space in Mid-Market. The only positive marketing aspect noted about Mid-Market was its proximity to mass transit, as both the MUNI and BART systems run beneath Market Street. Figure 12, Figure 13, and Figure 14 illustrate the current internal dynamics of the larger downtown office market that includes the Project Area's Class B and C properties.





Many tenants are taking advantage of the favorable market conditions with still relatively cheap rents and are securing “better” or more desirable space before the market leasing rents get too high. Overall in 2004, downtown Class A and Class B office properties have lower vacancies than the previous year while Class C properties saw a rise in vacancies, but not to the degree seen in the Civic Center/Mid-Market subarea.

Average asking rents compiled in September 2004 for downtown Class B and C office space was \$24.62 and \$21.03, respectively. Most asking rents surveyed within the Project Area in February 2005 ranged from \$7.00 to \$24.00 with a few at higher rates. Despite these competitive prices, the total amount of Project Area space (commercial and office) listed on the market during February 2005 reveals approximately 500,948 square feet available across 20 properties as illustrated in Figure 15. The vacancy rate for these 20 properties combined is approximately 53 percent (or 267,831 square feet). Four of these 8 properties had vacancies of approximately 100 percent.

Figure 15: Mid-Market Commercial and Office Availabilities, February 2005

Address	Bldg Type	Bldg Size (PSF)	Space Avail (PSF)	Rent/SF/Yr
1035 Market St	Class B Office	111,406	111,406	-
1355 Market St	Class B Office	700,000	75,804	\$15.00
901 Market St	Class B Office	200,000	18,741	-
982-998 Market St	Class B Office	60,000	1,230	\$58.54
989 Market St	Class B Office	108,000	26,476	\$18.00
1131 Mission St	Class C Flex	13,500	13,500	\$13.32
1254-1260 Mission St	Class C Flex	11,424	5,712	\$9.00
1 Grove St	Class C Office	6,070	4,500	\$14.57-\$18.00
1015 Market St	Class C Office	7,680	3,840	\$13.80
1061 Market St	Class C Office	65,600	65,600	\$12.00-\$24.00
1095 Market St	Class C Office	59,794	16,576	\$15.00
1117-1119 Market St	Class C Office	23,000	6,600	\$21.48
1161 Mission St	Class C Office	74,000	73,000	\$7.20-\$9.60
1276 Market St	Class C Office	7,700	7,700	\$8.26
1375-1385 Mission St	Class C Office	22,200	8,586	\$12.00-\$21.60
54 Mint St	Class C Office	16,400	3,237	\$24.00
942 Market St	Class C Office	40,433	20,000	-
964 Market St	Class C Office	12,000	3,830	\$15.00-\$36.00
965 Mission St	Class C Office	72,991	28,646	\$9.00-\$15.00
995 Market St	Class C Office	68,156	6,504	\$13.00-\$15.00
Total Space SF		500,948	267,831	

C. AN EXCESS OF ADULT USES

The Project Area has a significant number of uses oriented towards adults, including 11 adult entertainment uses, 2 bars, and 5 liquor stores. Due to the adjacency of the Tenderloin district, there are also many adult-oriented uses in close proximity along the north side of Market Street. In addition, several bars and liquor stores are located immediately outside of but adjacent to the Project Area south of Market Street (especially along 6th Street). The Project Area has suffered from the effects typically associated with concentrations of adult uses over a number of decades and has a "seedy" atmosphere.²³ A report by the City Planning Department identified numerous problems associated with liquor sales at liquor stores and bars, including loitering, littering, drug trafficking, prostitution, public drunkenness, pedestrian obstructions and defacement and damaging of structures, as well as problems with traffic circulation, parking and noise on streets and in neighborhood lots.²⁴ As discussed below in Subsection D – Crime Rates, the Project Area is plagued by problems with loitering, drug trafficking and pedestrian obstructions to the point where local business employees and customers are intimidated and threatened.

The estimated population in the Project Area is 3,081, based on 2000 US Census data. With 6 liquor stores, the Project Area has approximately one liquor store per 513 residents. By way of comparison, the California Department of Alcoholic Beverage Control (ABC) allows up to one liquor store per 2,500 residents on a countywide basis. In addition, there are 13 bars, 4 adult theaters (one currently vacant), 7 liquor stores, and 6 other adult uses within 2 blocks of the Project Area.²⁵

D. CRIME RATES

Crime and fear of crime are serious disincentives to investment and reuse of properties in an area. Crimes discourage patronage of businesses and add to the cost of conducting business. In addition, areas with high numbers of adult-oriented uses (liquor stores, adult theaters, adult bookstores, bars and nightclubs) tend to have higher crime levels. A study conducted by the University of Southern California established a clear link between the density of alcohol outlets and violent crime rates.²⁶ As discussed in the

²³ Matt Isaacs, "Strip clubs pose dilemma for S.F.'s main strip," *SF Examiner*, December 31, 2002.

²⁴ "S.F. May Scrap Piecemeal Approach to Liquor Sales Problems, Supervisor suggests citywide policy to attack license saturation," *San Francisco Chronicle*, Wednesday, June 16, 1999.

²⁵ Based upon data available from the SBC Yellow Pages, yellowpages.com, and Yahoo! yellow pages.

²⁶ Richard A. Scribner, MD, MPH; David P. MacKinnon, PhD, and James H. Dwyer, PhD, *American Journal of Public Health*: "The Risk of Assaultive Violence and Alcohol Availability in Los Angeles County," Vol. 85 (March 1995) No. 3.

previous subsection of this Report, the Project Area has a relatively high number of alcohol outlets, and has several other adult-oriented uses.

The Project Area is located within 2 of the 10 reporting districts of the San Francisco Police Department (SFPD): the Southern District, which encompasses the portions of the Project Area on the south side of Market Street; and the Tenderloin district, which encompasses the portions of the Project Area north of Market Street. Both the Tenderloin and the South of Market areas are known to have problems with crimes such as prostitution and drug trafficking. In addition, both areas have a large share of the City's crime incidents relative to their size. Crime statistics for 2001 and 2002 (through November of each year) were obtained from the SFPD website for the City and for the Tenderloin and Southern Districts. As shown in Figure 16, the Tenderloin and Southern Districts combined account for 22.9 percent of Part I crimes²⁷ in the City in 2001 and 21.3 percent in 2002. The Tenderloin District covers 161 acres of the City. The Southern District covers 1,282 acres of the City. Combined, these Districts cover only 1,433 acres, or only 4.8 percent of the total 29,888 acres of the City. Yet these areas combined accounted for 28.2 percent and 27.1 percent of the "Other Larcenies"²⁸ in the City in 2001 and 2002, respectively. Similarly, the combined Districts account for 27.0 percent and 25.4 percent of the aggravated assaults, 25.1 and 22.4 percent of "Auto Boostings,"²⁹ and 23.6 percent and 22.2 percent of robberies in 2001 and 2002, respectively.

The Mid-Market area is known to have serious problems associated with illegal drug traffic and drug use, and public drunkenness. (Refer to numerous articles concerning crime and blighting conditions in the Mid-Market area in the Appendix). Merchants, tenants and customers have been attacked, threatened and/or intimidated by drug traffickers. In a 2001 article in the *San Francisco Examiner*, one merchant indicated that his windows were broken six times in one year in retaliation for shooting drug dealers from his store. He began opening his store only once a week because he is afraid of the criminals in the area. Another merchant indicated that he has had to call the police two or three times a day on occasion. Both merchants were waiting until their leases expired and planned to relocate their businesses out of the area.³⁰ The area on Market Street between Fifth Street and Eighth Street (in the Project Area) has been identified as "ground zero" for the City's illicit drug trade.³¹ One local tenant was quoted in the local

²⁷ Part 1 crimes are those considered the most serious crimes. See discussion regarding Part 1 crime definitions in Footnote No. 33.

²⁸ Theft of property not included elsewhere.

²⁹ Theft from automobile.

³⁰ "6th and mayhem," *San Francisco Examiner*, June 12, 2001.

³¹ "Police Sweeps Aid Mid-Market Cleanup," *San Francisco Examiner*, Monday May 21, 2001; "Mid-Market: It's an Awful Mess," *San Francisco Examiner*, Thursday April 12, 2001; "Knife Attack on Homeless Man, Passers-by Help Police Nab Assailant," *San Francisco Chronicle*, Monday November 27, 2000; "3-Shot in 3-Week-Old Dispute Over Spilled Soda, Suspect at Large in Market St. Attack," *San Francisco Chronicle*, Tuesday, December 5, 2000.

newspaper as saying that several foreign countries have "red-lined" the area, warning its citizens not to go there when vacationing in San Francisco.³²

Graffiti and vandalism are also significant problems in the Project Area. As shown on Exhibit 6, a significant number of properties showed evidence of graffiti and vandalism at the time of the field survey in December 2002.

In order to assess the levels of crime in the Project Area, crime statistics were analyzed for the period 1996 through 2001 and compared to statistics for the balance of the City. In addition, a detailed analysis of crime over a 12-week period was prepared to determine the approximate location of crimes in the Project Area.

Available crime statistics for Part I crimes for the Project Area and for the City were analyzed for the period 1996 through 2001.³³ As shown in Figure 17, the Project Area accounts for a disproportionate share of serious crime in the City, accounting for almost 9 percent of robberies and aggravated assaults, almost 7 percent of non-statutory rape, 3.5 percent of homicides, and almost 4 percent of burglaries from 1996 through 2001. At the same time, the Project Area accounts for only 0.40 percent of the City's population (as of 2000) and only 0.27 percent of the land area of the City. In addition, for robberies, aggravated assault, and non-statutory rape, the overall trend in the number of crime incidents has been up while the trend has been down in the balance of the City. These data indicate that not only are the levels of these serious crimes disproportionately high, the number of incidents has been increasing, while it has been declining in the balance of the City, with the Project Area representing an increasing proportion of robberies, aggravated assaults, and non-statutory rape in the City.

In order to assess the distribution and location of crimes in the Project Area, and to assess more detailed information about the types of Part I crime in the Project Area, detailed information on crimes was collected from the SFPD for a 12-week period from August 16 through November 11, 2002. These data included more descriptive information regarding the type of crime, i.e., "aggravated assault with a knife" rather than merely "aggravated assault." Location information was limited to the "hundredth" block and street name or intersection. Therefore, while the exact location of the crime incident could not be determined, the incident could be associated with an approximate location

³² "S.F. Called Soft on Drug Crimes. Low Bail Rates Blamed for Attracting Criminals to City," *San Francisco Chronicle*, Friday, May 22, 1998.

³³ The 8 categories of crime considered as Part I crimes are those chosen to serve as an index for gauging fluctuations in the overall volume and rate of crime due to their seriousness and the likelihood of being reported to the police by the public. In addition, information regarding volume of crimes and arrests is reported monthly for each type of crime in a uniform manner by law enforcement jurisdictions throughout the United States. These 8 categories are also referred to as the FBI Crime Index. Source: California Department of Justice, Criminal Justice Statistics Center and the Justice Research and Statistics Association. Due to changes in the category labels by the San Francisco Police Department (SFPD), statistics for only five of the eight Part I categories were compared.

in or immediately adjacent to the Project Area. While some of the crime incidents identified may be just outside of the Project Area, they contribute to the general fear of crime in the Project Area and to the perception of the Project Area and its environs as unsafe. A total of 186 crime incidents were reported in and immediately around the Project Area. The number of incidents were compiled by category and compared to the number of incidents for the same types of crime for the balance of the City during the same period. These data are summarized in Figure 18.

As shown in Figure 18, the incidents of crime that occurred in the Project Area and vicinity include 41 aggravated assaults, more than half of which were with a deadly weapon; six attempted robberies; 30 burglaries; 76 incidents of grand theft; and 30 incidents of robbery, 17 of which were street robberies and 12 of which involved the use of arms or bodily force. On a weekly basis, there were 3.4 incidents of aggravated assault, 2.5 incidents of burglary, 6.3 incidents of grand theft, and 2.5 incidents of robbery in the Project Area and immediate vicinity on average. Overall, there were 15.5 incidents per week, or 2.2 per day.

Combined, these crime data and anecdotal reports of crime in the area indicate that the high crime rates in the Project Area constitute a serious threat to the public safety and welfare to the residents, merchants, and others who work or visit the Project Area. In addition, the high rates of serious crime discourage businesses from locating in the area and are a significant disincentive for reinvestment in the area. Similarly, the high levels of public urination, drunkenness and other "quality of life" crimes make the area unpleasant for residents as well and discourage investment in housing and commercial services needed in the area.

FIGURE 16

COMPARISON OF CRIME STATISTICS BY REPORTING DISTRICT
MID-MARKET REDEVELOPMENT PROJECT
SAN FRANCISCO, CA.

	Citywide		Southern District		Tenderloin District		Southern & Tenderloin Districts Combined		Combined Districts as a Percent of Citywide	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
Homicide	46	57	7	4	2	5	9	9	19.6%	15.8%
Rape	243	210	33	23	10	11	43	34	17.7%	16.2%
Robbery	3,584	2,994	530	397	316	268	846	665	23.6%	22.2%
Aggravated Assault	2,353	2,222	410	328	225	236	635	564	27.0%	25.4%
Burglary	6,207	5,624	857	698	211	202	1,068	900	17.2%	16.0%
Other Larceny	13,317	12,620	2,886	2,491	870	927	3,756	3,418	28.2%	27.1%
Auto Boosting	9,980	10,779	2,227	2,159	274	254	2,501	2,413	25.1%	22.4%
Motor Vehicle Theft	6,138	6,040	603	514	138	106	741	620	12.1%	10.3%
Recovered Vehicle	19	17	1	1	1	-	2	1	10.5%	5.9%
Total	41,887	40,563	7,554	6,615	2,047	2,009	9,601	8,624	22.9%	21.3%

Statistics through November of each year.

Exhibit 6: Evidence of Graffiti and Vandalism



Proposed Mid-Market Redevelopment Project Area

Source: Field Survey, Whitted Dawson and Associates
and John B. Dykstra & Associates, Summer and Fall 2002.

ISIP EXHIBIT 6

IRA Indicators of Crime and Public Safety Problems

FIGURE 17
COMPARISON OF CRIME STATISTICS - 1996 THROUGH 2001
MID-MARKET REDEVELOPMENT PROJECT
SAN FRANCISCO, CA.

ROBBERY ¹					AGGRAVATED ASSAULT				
Year	City	Project Area	Balance of City	PA as % of City	Year	City	Project Area	Balance of City	PA as % of City
1996	5,463	376	5,087	6.9%	1996	3,885	282	3,603	7.3%
1997	4,561	311	4,250	6.8%	1997	3,621	269	3,352	7.4%
1998	3,875	331	3,544	8.5%	1998	3,063	224	2,839	7.3%
1999	3,445	290	3,155	8.4%	1999	2,795	244	2,551	8.7%
2000	3,495	409	3,086	11.7%	2000	2,618	317	2,301	12.1%
2001	3,843	457	3,386	11.9%	2001	2,517	319	2,198	12.7%
TOTAL	24,682	2,174	22,508	8.8%	TOTAL	18,499	1,655	16,844	8.9%
%Change	-29.7%	21.5%	-33.4%		% Change	-35.2%	13.1%	-39.0%	

NON-STATUTORY RAPE					HOMICIDE				
Year	City	Project Area	Balance of City	PA as % of City	Year	City	Project Area	Balance of City	PA as % of City
1996	272	15	257	5.5%	1996	80	2	78	2.5%
1997	206	10	196	4.9%	1997	68	1	67	1.5%
1998	209	20	189	9.6%	1998	70	6	64	8.6%
1999	170	8	162	4.7%	1999	66	-	66	0.0%
2000	252	18	234	7.1%	2000	41	3	38	7.3%
2001	236	20	216	8.5%	2001	46	1	45	2.2%
TOTAL	1,345	91	1,254	6.8%	TOTAL	371	13	358	3.5%
% Change	-13.2%	NM	-16.0%		% Change	-42.5%	NM	-42.3%	

BURGLARY ²				
Year	City	Project Area	Balance of City	PA as % of City
1996	7,014	284	6,730	4.0%
1997	7,128	229	6,899	3.2%
1998	6,675	225	6,450	3.4%
1999	5,515	209	5,306	3.8%
2000	5,837	214	5,623	3.7%
2001	6,723	276	6,447	4.1%
TOTAL	38,892	1,437	37,455	3.7%
% Change	-4.1%	-2.8%	-4.2%	

¹Totals for 1996-1999 represent strong armed robbery and other robbery combined

²Totals for 1996-1999 represent residential burglary and other burglary combined.

Crimes for which the trend in the Project Area is up while the trend has declined for the balance of the City during the same time period.

NM = Not meaningful. Due to the infrequency of homicides and reported non-statutory rapes relative to other types of crime, comparison of the rate of change in the number of incidents is not statistically meaningful and therefore not included in this analysis

FIGURE 18
SUMMARY OF CRIME STATISTICS FOR A 12-WEEK PERIOD
MID-MARKET REDEVELOPMENT PROJECT
SAN FRANCISCO, CA

<u>Crime</u>	<u>Project Area</u> <u>No. of Incidents</u>	<u>Balance of the City</u> <u>No. of Incidents</u>	<u>Project Area</u> <u>as a Percent</u> <u>of the City</u>	<u>Average #</u> <u>of Incidents</u> <u>per Week</u>
AGGRAVATED ASSAULT				
Aggravated assault w/ a deadly weapon	22	190	10.4%	
Aggravated assault w/ a gun	2	23	8.0%	
Aggravated assault w/ a knife	8	85	8.6%	
Aggravated assault w/ bodily force	9	92	8.9%	
Aggravated assault, combined	41	390	9.5%	3.42
OTHER ASSAULT				
Assault w/ caustic chemicals	1	14	6.7%	
ATTEMPTED HOMICIDE				
Attempted homicide w/ a knife	1	6	14.3%	
ATTEMPTED ROBBERY				
Attempted robbery comm. estab. w/ deadly weapon	1	-	100.0%	
Attempted robbery on the street (all forms)	2	38	5.0%	
Attempted robbery with a gun	2	4	33.3%	
Attempted robbery with bodily force	1	31	3.1%	
Attempted robbery, combined	6	73	7.6%	0.50
BURGLARY				
Burglary of apartment house	5	215	2.3%	
Burglary of hotel room	4	30	11.8%	
Burglary of store	10	105	8.7%	
Burglary of a residence	1	179	0.6%	
Burglary, forcible entry	4	103	3.7%	
Burglary, hot prowl (all forms)	2	75	2.6%	
Burglary, unlawful entry	2	95	2.1%	
Burglary, store under construction	2	90	2.2%	
Burglary, combined	30	892	3.3%	2.50

FIGURE 18
SUMMARY OF CRIME STATISTICS FOR A 12-WEEK PERIOD
MID-MARKET REDEVELOPMENT PROJECT
SAN FRANCISCO, CA

<u>Crime</u>	<u>Project Area</u> <u>No. of Incidents</u>	<u>Balance of the City</u> <u>No. of Incidents</u>	<u>Project Area</u> <u>as a Percent</u> <u>of the City</u>	<u>Average</u> <u>of Incident</u> <u>per Wee</u>
GRAND THEFT				
Grand theft bicycle	3	98	3.0%	
Grand theft by prostitute	1	4	20.0%	
Grand theft from a building	10	251	3.8%	
Grand theft from locked auto	34	1,025	3.2%	
Grand theft from a person	9	112	7.4%	
Grand theft from a unlocked auto	1	47	2.1%	
Grand theft of property	1	139	0.7%	
Grand theft pickpocket	12	276	4.2%	
Grand theft pursesnatch	3	25	10.7%	
Grand theft shoplifting	2	73	2.7%	
Grand theft, combined	76	2,050	3.6%	6.33
ROBBERY				
Robbery of a chain store (all forms)	1	11	8.3%	
Robbery on the street (all forms)	17	218	7.2%	
Robbery, armed (all forms)	3	66	4.3%	
Robbery, bodily force	9	111	7.5%	
Robbery, combined	30	406	6.9%	2.50
OTHER				
Safe burglary of an apartment	1	3	25.0%	
TOTAL CRIME INCIDENTS	186	3,834	4.6%	15.50

NOTE:

By way of comparison, the Project Area represents 0.27% of the land area of the City and 0.70% of the total 2000 population.

E. BLIGHT SUMMARY

As described in the previous section of this Report, certain physical and economic blighting conditions have been found to be significant in the Project Area.

The physical blighting conditions that have found to be significant include the following:

- Extensive or Very Extensive Building Deficiencies.....119 or 70 percent of buildings
- Hazardous Unreinforced Masonry Construction.....25 or 15 percent of buildings

The economic blighting conditions that have been found to be significant include:

Low Property Sales Prices Sales prices stagnated between 1999 and 2004.

High Vacancy Rates Despite Low Lease Rates Vacancy levels at 50 percent for the Project Area vs. 15.4 percent downtown. Due to the perception of the Project Area as “seedy” and dangerous, office space cannot compete with space elsewhere even at lower lease rates.

High Crime Rate..... A disproportionate share of crime, especially violent crime. While accounting for 0.4 percent of the population and .27 percent of the area of the City, the Project Area accounts for 8.8 percent of robberies and 8.9 percent of aggravated assaults in the City.

Combined, these blighting conditions are predominant and cause the Project Area to be underutilized.

VI. REDEVELOPMENT PROGRAM DESCRIPTION

A. INTRODUCTION

This section describes the Redevelopment Program proposed to implement the Mid-Market Redevelopment Plan. The projects and activities that make up the Redevelopment Program are designed to meet the goals and objectives of the CRL and the Redevelopment Plan. The proposed Redevelopment Program is designed to alleviate the blighting conditions in the Project Area and meet the Agency's affordable housing obligation as well as the CRL requirement that Agency expenditures be linked to the elimination of blighting conditions. The Redevelopment Program reflects City goals and the General Plan of the City and County of San Francisco.

The proposed Redevelopment Program has two major components:

- Non-Housing Redevelopment Program
- Affordable Housing Program

The Agency's costs of implementing the Redevelopment Program are \$104.1 million for the Non-Housing Redevelopment Program, and \$114.2 million for the Affordable Housing Program. Refer to Section VII for a description of sources that may be used by the Agency to help fund the proposed projects and activities.

B. REDEVELOPMENT PLAN GOALS AND OBJECTIVES

The proposed Redevelopment Plan will be undertaken to achieve the purposes of the CRL and the General Plan of the City and County of San Francisco.

1. Redevelopment Project Goals and Objectives

The following redevelopment goals and objectives (excerpted from the Draft Redevelopment Plan) are intended to eliminate physical and economic blighting conditions that interfere with the revitalization of the Project Area.

- Eliminating blighting influences and correcting environmental deficiencies in the Project Area, including, but not limited to, abnormally high vacancies, deficient and unsafe buildings, incompatible land uses, poor economic performance of retail businesses, underutilized and vacant land, high crime rates, and

inadequate or deteriorated public improvements, facilities and utilities.

- Providing opportunities for participation by owners in the redevelopment of their properties.
- Assembling a limited amount of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.
- Replanning, redesigning and developing undeveloped and underdeveloped areas that are improperly utilized.
- Providing flexibility in the development of the Project Area to respond readily and appropriately to market conditions.
- Strengthening the community's supply of housing by assisting, to the extent economically feasible, in the construction and rehabilitation of affordable housing with the deepest levels of affordability, including the development of supportive housing for the homeless.
- Strengthening the economic base of the Project Area and the community by strengthening commercial functions in the Project Area.
- Facilitating improvement of safety within the Project Area.

2. Revitalization Goals and Objectives

The following revitalization goals and objectives for the Plan (excerpted from the Draft Redevelopment Plan) were established in conjunction with the PAC and members of the community at large. The goals set forth the stated objectives that will direct the revitalization of the Project Area. The achievement of the revitalization goals and objectives will necessitate a collaborative effort between the Agency and the City's various departments. Redevelopment tools and resources will also be used to leverage and/or complement the tools and resources of local, state and federal agencies in order to maximize the effective use of public funds. Together with the zoning regulations, including the Mid-Market SUD and Design Guidelines, these goals and objectives will guide the Agency's implementation of the Plan.

A-- Diversity & Social/Economic Equity

Goal: A cohesive central City district truly representative of the full range of San Francisco's many communities -- of all cultures, income levels, and

backgrounds -- which focuses the benefits of economic growth to their needs without causing their displacement. This is the primary and overarching goal of the Redevelopment Plan and should be addressed with all projects and programs.

A1. Maintain or replace one-for-one the overall total amount of affordably-priced housing, both private for-profit and non-profit, which existed within the Project Area when the survey area for the Redevelopment Project was designated in 1995.

A2. Recognize the presence of several non-profit service providers in the Project Area and their reliance on the affordability of Mid-Market, and ensure sufficient space to accommodate the needs of these institutions, including creative development strategies that could lead to ownership or favorable long-term lease.

A3. Provide opportunities to bring economically disadvantaged area residents into full participation in the local job market, including employment training and local hiring in conjunction with all major development.

A4. Protect and expand community arts/cultural facilities and programs.

A5. Provide apartment, condominium, live/work, artist live/work, and other housing opportunities that address the need for housing of all types in Mid-Market.

A6. Ensure the development of a variety of unit types at all rungs of the housing income ladder, especially affordable housing for low/moderate income households and supportive housing for the homeless.

B -- Arts, Culture & Entertainment

Goal: A unique and diverse Theater, Arts, Cultural and Entertainment District that celebrates Mid-Market's historic theaters, intermingles new complementary arts and culture facilities, and caters to the needs of both the local and regional populations.

Land Use and Development

- B1. Recognize Mid-Market's historic theaters and fulfill the area's potential as a unique theater, arts, cultural and entertainment district.
- B2. Encourage a diversity and balance of arts, cultural, entertainment and educational activities and establishments with facilities of differing sizes, for different types of arts, and to support different space needs and uses.
- B3. Preserve and encourage facilities for small arts organizations, individual artists, and the facilities that support them.
- B4. Encourage cultural- and entertainment-oriented day and nighttime activities for residents and visitors.
- B5. Encourage the development of museums and/or cultural centers that highlight diverse constituencies of the area.
- B6. Support the redevelopment and rehabilitation of Market Street's adult entertainment theaters to other theater/arts uses and encourage other existing adult uses (i.e., bars, liquor shops, adult entertainment enterprises, and massage establishments) to conform to the Mid-Market SUD and to not cause problems of public safety and welfare.

Specific Improvements/Programs

- B7. Enhance and promote Mid-Market's theater, arts, cultural and entertainment activities through the use of marquees and façade lighting consistent with the Mid-Market SUD controls.
- B8. Involve local artists in developing and implementing a public art program for the Project Area.
- B9. Promote arts-oriented internships, apprenticeships and educational opportunities for youth.

Organization

- B10. Encourage the establishment of a collaborative body or organization to promote the development of a Mid-Market theater, arts,

cultural and entertainment district and to coordinate arts-related activities and incentive programs.

C -- Community Identity & The Built Environment

Goal: A community with a multitude of possibilities that celebrates it's historic past and builds upon its unique qualities through the integration of historic preservation, development controls, public space development, new streetscapes, and other civic/community facilities.

Community Identity

C1. Develop a unique and exciting identity for Mid-Market that builds on its historic, architectural, and cultural resources; promotes its central location at the commercial, civic and transit hub of the City; and highlights the district's distinctive visual qualities.

Urban Design

C2. Develop a comprehensive set of urban design guidelines for Mid-Market's streetscapes, open spaces, storefronts, and buildings. Invite professionals in fields such as urban design, architecture, historic preservation and public art to assist the Agency and Planning Department, with PAC advice, in developing these design guidelines. The guidelines must consider the district's historic resources and set standards for restoration, rehabilitation and new construction.

C3. Invite developers to present their proposals at PAC meetings and invite community members and design professionals to provide input.

C4. Promote new development and urban design initiatives that enhance neighborhood livability and health.

C5. Create vibrant, pedestrian-friendly streetscape designs that visually and physically link Mid-Market's major north-south arterials with Market Street.

C6. Establish pedestrian connections (public and private) between Mission and Market Streets through purchase of easements and development controls. Encourage strategies that utilize existing vacant lots and underutilized properties and/or coincide with the rehabilitation of existing buildings.

C7. Promote pedestrian connections (public and private) to adjacent districts, including South of Market, North of Market, Civic Center, Union Square, and Yerba Buena Center.

C8. Increase planting, maintenance, and pruning of appropriate street trees.

C9. Develop public open spaces, a neighborhood park, and pedestrian pathways, provided that mechanisms are available to program, maintain and secure these gathering places.

C10. Increase the amount of street-level amenities such as appropriate street furniture, lighting, cafes, and other features that create a safe and pleasant experience.

Historic Preservation

C11. Preserve and restore historically and architecturally significant buildings and districts in accordance with existing laws, processes, and bodies governing historic preservation. Significant buildings include those listed with the city, state and federal government as having significant or landmark status and those buildings that are deemed to have a contributory/contextual benefit to a historic district.

C12. Update Mid-Market's historic/architectural/cultural resource surveys, as necessary, to evaluate previous efforts and direct future strategies. Any such efforts should be collaborative with the Planning Department and the historic preservation community.

C13. Utilize and promote available financial incentives to bolster historic preservation efforts, including historic preservation tax credits, tax abatement, transfer of development rights, authorization to use "historic" building codes, and other possible incentives.

C14. Assist the rehabilitation and reuse the Old Mint in collaboration with the historic preservation community.

Rehabilitation and New Development

C15. Promote and support the rehabilitation and retrofitting of Mid-Market's building stock in an effort to ensure compliance with current health, safety and building code standards.

C16. Encourage creative infill development where the massing provides for a continuous street wall along major thoroughfares, emphasizes the pedestrian experience, and takes into account issues of wind and sunlight.

C17. Develop an incentives package promoting sustainable development that is both economically and environmentally sound.

D -- Community Services and Public Safety

Goal: A community that is safe and clean -- and perceived to be safe and clean -- by residents, employees, business owners, and visitors. This effort shall include community services for youth, economically disadvantaged residents, and the homeless population.

Community Services

D1. Support the continuity of services provided by community-serving organizations serving the above-referenced populations through the provision of long-term, affordable office space and the ongoing coordination of revitalization activities.

D2. Recognize the homeless, at-risk, and low-income populations as participants in the Mid-Market community -- and support both their needs and the organizations that serve them.

D3. Encourage the establishment of a collaborative body or coordinating structure to achieve better delivery of community services in Mid-Market.

D4. Promote neighborhood communication and cooperation -- among businesses, service organizations, residents, and the police.

D5. Promote supportive and transitional housing developments where services are co-located within or near the housing site.

Public Safety and Security

- D6. Enforce the City's building, health, fire, and housing codes in a manner that minimizes displacement and identifies replacement space for displaces as soon as possible.
- D7. Ensure that property owners and tenants comply with criminal, health, safety and labor laws and ordinances.
- D8. Support the safety of Project Area workers, including adult entertainment, garment and other workers historically subject to exploitation.
- D9. Ensure maximum pedestrian safety throughout the Project Area based on a specific action plan to be developed.
- D10. Improve street lighting throughout the Project Area.
- D11. Address criminal activity through community policing in conjunction with the San Francisco Police Department and with other community-based organizations in and around the Project Area; encourage proactive police involvement in community planning and in community activities.
- D12. Support the continuance of current police efforts and training programs that promote and heighten police sensitivity and effectiveness in dealing with social issues most relevant to the neighborhood.

Neighborhood Cleanliness

- D13. Support the provision of regularly maintained sidewalks and building facades, including the prompt removal of graffiti.
- D14. Provide education and other assistance to property owners and tenants regarding building maintenance.
- D15. Promote education, and an "awareness" campaign, for the community on litter and cleanliness.
- D16. Ensure that new funding or efforts to keep the Project Area clean are coordinated with existing cleaning programs and initiatives in Civic Center, South of Market, United Nations Plaza and the Tenderloin.

E -- Economic Vitality

Goal: A revitalized commercial business core that attracts the patronage of Mid-Market residents, employees, and visitors through the presence of desirable, vibrant day and nighttime activities, as well as an attractive, safe, and clean environment.

New Development

- E1. Develop a balanced mix of activities and businesses that serve the diversity of community residents, workers and visitors.
- E2. Encourage the establishment of a collaborative body or coordinating structure to promote the Mid-Market business district and facilitate economic development activities.
- E3. Attract a mid- to large-scale anchor retailer that will draw shoppers to the Mid-Market district while enhancing and supporting existing commercial businesses within the Project Area.
- E4. Target underutilized sites to capture development opportunities as a catalyst for area revitalization, including but not limited to hotels, theater/entertainment/cultural centers, and other unique specialty uses.
- E5. Create public/private partnerships, invest public resources and provide incentives to encourage new business growth.

Small Business Development

- E6. Retain and enhance existing small businesses through technical, promotional and developmental support.
- E7. Attract new businesses and services, including mixed-use projects, office, or multimedia.
- E8. Create programs and incentives to improve building/storefront facades and signs.
- E9. Encourage entrepreneurial activities and development via micro-loan programs and business incubator spaces.

Community Benefits

E10. Promote greater job opportunities for Project Area residents by supporting partnerships between Project Area employers and community-serving employment organizations.

E11. Encourage the retention and recruitment of mid-to large-sized businesses that are able and committed to maximizing job/career opportunities for Project Area residents and are able to participate in the City's First Source Hiring Program.

F -- Housing & Neighborhood

Goal: A community with a range of housing types that includes opportunities at all economic rungs of the housing ladder.

New Housing Development

F1. Promote increased housing density, as appropriate, on vacant or underutilized parcels while minimizing displacement of existing occupants.

F2. Support the provision of market rate housing to ensure a diversity of income levels in the Project Area.

Rehabilitation

F3. Promote livable standards for residential hotels in the Project Area in coordination with other city agencies.

F4. Minimize the displacement of residents during rehabilitation efforts and other redevelopment activities by ensuring Agency compliance with the CRL.

Neighborhood Amenities

F5. Promote and assist in the development of community facilities and commercial uses to meet the needs of the Project Area's residents.

Affordable Housing

F6. Develop affordable housing that is affordable to Project Area residents and that otherwise meets the needs of this population.

F7. Encourage the development of a diverse range of affordable housing types that targets different populations and their needs, including family, senior, transitional, supportive, and mixed-use housing developments.

F8. Strategize on how to provide housing for no no-income, extremely low low-income, very low low-income, low low-income and moderate-income households.

G -- Transportation and Parking

Goal: A community that promotes public transit use, bicycling, walking, carpooling and car sharing by its residents, employees, and visitors, provides short-term parking options for visitors of retail and entertainment establishments, for other desired uses, and for visitors of Project Area residents, and provides for the safety and convenience of transit passengers, pedestrians, cyclists, and motorists in the Mid-Market Project Area.

Public Transportation

G1. Coordinate with area transit service providers, such as BART and MUNI, to enhance routing and service provision, and the safety, cleanliness, and functionality of station area and transit stop locations.

G2. Coordinate with BART on economic development opportunities in and around the Civic Center and Powell Street stations.

Parking and Automobile Traffic

G3. Maximize the efficient use of existing short-term parking facilities, including on-street parking and parking accessory to daytime uses, with the goal of expanding availability of short-term parking as the district grows.

G4. Discourage unnecessary private automobile use with programs that promote car sharing, shuttles, carpooling, public transit, bicycling, walking and other alternatives to the automobile.

G5. Coordinate with city agencies to improve traffic management devices and enforcement measures in order to improve traffic flow while minimizing the incidence of speeding, double-parking, cars blocking crosswalks and bike lanes and cars driving, queuing and parking in transit-only lanes, when in effect.

Pedestrians and Bicycles

G6. Provide improved directional signage for public places, including signage in several languages.

G7. Promote pedestrian-oriented urban design in order to improve pedestrian safety, access and convenience and to reduce the amount of traffic congestion, while maximizing transit patronage.

G8. Add and encourage appropriate bicycle lanes and bicycle storage facilities as well as increased enforcement of traffic violations by autos drivers or bicyclists.

G9. Encourage street-level uses that create active pedestrian traffic – especially along Market and Mission Streets.

C. REDEVELOPMENT PROGRAM IMPLEMENTATION

A major implementing and financing strategy of the Redevelopment Plan is to leverage public funds and resources against other local, regional, state and federal funds as well as private and non-profit investment.

This collaboration will be particularly important in achieving the necessary goals and objectives related to social needs, public services and public safety, as the Agency may use only funds that are lawfully available for such purposes. The Agency and its resources are not intended to become a substitute for public or private resources that are already mandated to address these specific issues, but, instead, for Agency resources to be utilized in a way that is coordinated with existing resources to maximize the effective use of public funds and to foster holistic community development.

The following categories illustrate the various ways that the Agency will implement the Redevelopment Program:

1. Significant and Primary Financial Support by Agency

The Agency takes a significant leadership and financial role in implementing a specific physical project; for example, acquisition of a particular site for development.

2. Supplemental Financial Support through Programs and Partnerships

- ***Programs.*** The Agency takes a supportive financial role in implementing projects, programs or improvements through creating a specific program where multiple entities can be aided in implementing their own project, program or improvement; for example, a façade improvement program that offers loans or matching grants for façade improvements or an SRO rehabilitation loan program that offers loans for improvements to SRO hotels.
- ***Partnerships.*** The Agency makes a substantial financial commitment in implementing a project or program, but the effort is clearly not led by the Agency, nor is the Agency the sole financial supporter; for example, streetscape improvements coordinated jointly with the Department of Public Works that leverages transportation and/or public improvement funds.

3. Limited and Nominal Financial Support, In-Kind Agency Staffing, and Cooperative and Legislative Efforts

- ***Limited Financial Support.*** The Agency takes a limited financial role to implement a project or program and another entity clearly takes the leadership role; for example, seed money for a financial feasibility analysis.
- ***Nominal Support.*** The Agency takes a leading financial role, but the effort does not require significant financial commitments; for example, funding staffing of the PAC or funding a business assistance provider.
- ***In-Kind Agency Staffing and Cooperative Efforts.*** The Agency provides in-kind staffing of efforts; for example, coordination of community input. The Agency may also be involved in general

cooperative efforts that do not require major financial resources; for example, cooperation agreements between with city departments, grant writing, and the establishment of a working groups between city agencies. Most cooperative efforts will also require a commitment of Agency staffing.

- ***Legislative/Policy Efforts.*** The Agency works to adopt specific legislation that will aid in implementing a specific project, program or goal; for example, a redevelopment plan amendment or Planning Code amendments such as the Mid-Market SUD. This will also require staffing support.

D. RELATIONSHIP BETWEEN THE REDEVELOPMENT PROGRAM AND ALLEVIATION OF BLIGHTING CONDITIONS

The proposed Redevelopment Program emphasizes the elimination of blighting conditions and constraints that interfere with revitalization of the proposed Project Area by improving the economic and physical conditions, stimulating revitalization and private investment. The Project Area suffers from a variety of physical and economic blighting conditions that must be alleviated if the area is to be revitalized. The proposed Project Area will benefit from a coherent revitalization and economic development strategy that is coordinated with the City's overall goals.

In general, the proposed Redevelopment Program is designed to:

- Revitalize areas that exhibit physical and economic blight.
- Improve public infrastructure, streetscapes and facilities.
- Provide economic and physical commercial revitalization assistance.
- Promote an activated pedestrian and transit-oriented mixed use neighborhood.
- Support arts, culture and entertainment as activating and revitalizing uses.
- Stimulate infill development on vacant and underutilized parcels.
- Encourage rehabilitation and adaptive reuse efforts on existing, especially historic, buildings.
- Provide tax increment funds for the redevelopment activities that are needed to alleviate blighting conditions.
- Create affordable housing.

The proposed Redevelopment Program will address the blighting conditions described in Sections IV and V and is anticipated to cost \$218.3 million, including administration

costs. Please see Section VII for a detailed discussion of the financing and feasibility of the Redevelopment Program.

E. DESCRIPTION OF AGENCY'S NON-HOUSING REDEVELOPMENT PROGRAM

The Agency's Non-Housing Redevelopment Program is organized broadly into seven program categories that reflect the division of tax increment revenues into funds which can be used for any redevelopment purpose. The numbers assigned to each category are for identification purposes only and are not intended to indicate a category's relative priority for implementation:

1. Implementation Planning
2. Public Improvements and Public Facilities
3. Arts, Culture and Entertainment
4. Commercial Economic Development/Physical Rehabilitation

This section describes the Agency's Non-Housing Redevelopment Program, including the deficiencies to be corrected, project and activity descriptions, and the estimated project costs. As they are implemented, these projects may be modified over time to better serve the purposes of redevelopment. Cost estimates are necessarily preliminary in nature and subject to considerable refinement as the Redevelopment Program planning and implementation proceed. However, the cost estimates are adequate to provide reasonable orders of magnitude for evaluating financial feasibility and the need for tax increment financing.

1. Implementation Planning

Deficiencies to be Corrected

The Project Area suffers from blighting conditions that impede efficient and economically feasible development. Several factors inhibit the proper use of buildings and lots. Substandard lots impair the redevelopment of the area. As a result of the physical blighting conditions, the area suffers from impaired investments, high commercial vacancy rates, low commercial lease rates, and a high crime rate.

Projects and Activities

The proposed Redevelopment Project presents an opportunity to transform the area into a more balanced and revitalized mixed-use district. Detailed planning objectives and policies, as well as design guidelines and zoning regulations, will

guide the uses and physical development of the Project Area. As part of the overall planning, the following planning activities are proposed:

- Prepare and implement plans that will alleviate blighting conditions.
- Prepare environmental studies and assessments as necessary.
- Review projects and implement an entitlement process.
- Establish design guidelines, a streetscape plan, and a transportation access/ parking management plan.
- Conduct an analysis and implementation strategy for arts, culture and entertainment development.
- Develop an implementation strategy for commercial economic revitalization and physical rehabilitation efforts.

Estimated Program Costs

The Agency cost for implementation planning is estimated at \$6.0 million.

2. Public Improvements and Public Facilities

Deficiencies to be Corrected

Substandard, deficient and deteriorated public improvements existing in the Project Area negatively impact investment potential. Public improvement deficiencies include deteriorated pavement surfaces, unimproved and unlit alleys, unstriped or faded crosswalks, poor street lighting, and an overall lack of pedestrian or bicycle friendly improvements, including pedestrian scaled lighting on Mission Street, cross streets and alleys. The proposed program to correct these public improvement deficiencies will make the Project Area a more desirable location for businesses, residents and pedestrians. In addition, increases in population density will necessitate the need for an increase in community-oriented facilities.

Projects and Activities

The proposed projects and activities in this category address the public facilities and infrastructure needs of the Project Area:

- Generally improve existing streetscapes and pedestrian environments, including alleys.
- Construct public plaza spaces and/or park(s).
- Provide pedestrian and bicycle networks.
- Improve street signage and lighting.
- Improve sidewalks and circulation at critical intersections.

- Provide facilities to serve residents, such as a community center or education and/or training center.

Estimated Program Costs

The Agency cost for public facilities and infrastructure is estimated at \$26.2 million.

3. Arts, Culture and Entertainment

Deficiencies to be Corrected

The Project Area suffers from blighting conditions that impede efficient and economically feasible development, including vacant, underutilized, deficient and deteriorated commercial and office buildings, ground floor commercial space, storefronts and façades. Many of these buildings have outdated configurations for modern office uses or residential conversion. In addition, many of these buildings are historic in nature and require sensitive alterations and upgrading. The Project Area includes a handful of historic theater and assembly spaces that are either predominantly adult-oriented in nature or are vacant. Finally, high rates of crime are predominant in the area and act as a deterrent to positive development.

Projects and Activities

Arts, culture and entertainment uses can ideally aid in reusing and adapting older historic structures and ground floor commercial space which may offer positive attributes such as large floor plates and high ceilings that can enhance cultural venues. Reuse of these older buildings combined with eventual conversion and reuse of the district's historic theaters can also provide for a cluster of cultural amenities that can aid Mid-Market in attaining a more positive and vibrant character that attracts and sustains residents, business and visitors.

The proposed arts, culture and entertainment development activities include:

- Direct involvement in the development of new or rehabilitated arts, cultural and entertainment facilities.
- Development or participation in a capital grant program to assist arts, cultural and entertainment organizations in upgrading existing or creating new facilities.
- Incorporating both the assets and needs of arts, cultural and entertainment uses in the implementation of more traditional commercial economic revitalization activities such as façade improvement programs, marketing, promotions and other types of programs outlined below.

Estimated Program Costs

The Agency cost for arts, culture and entertainment support is estimated at \$37.0 million.

4. Commercial Economic Development/Physical Rehabilitation

Deficiencies to be Corrected

As indicated in Section IV, many of the buildings in the proposed Project Area have extensive physical deficiencies and show the effects of serious deterioration. In addition, many buildings in the proposed Project Area are likely to be hazardous in the event of a strong earthquake. The cost of correcting these buildings is likely to be high, and economic rehabilitation of many of these buildings could be difficult. In addition, many commercial buildings are either vacant or contain marginal businesses and uses, and the Project Area suffers from a lack of neighborhood-serving commercial businesses and services overall.

Projects and Activities

The proposed projects and activities in this category address building preservation, façade improvement and historic preservation:

- Assist in rehabilitation, seismic strengthening and/or historic preservation of buildings through loans and grants.
- Provide financial and technical assistance targeted at eliminating blighting conditions.
- Assist with façade improvements.
- Attract new business and retain existing businesses, including neighborhood-serving businesses.
- Encourage revitalization through business and developer incentives
- Provide opportunities for participation by owners and tenants in the revitalization of their properties.
- Support local economic development goals by enhancing accessibility to employment, retail and entertainment opportunities and attracting new business establishments to the Project Area.
- If necessary, provide assistance to the private sector to ensure development.
- Support Project Area Committee activities and other public outreach.

Estimated Program Costs

The Agency cost for redevelopment activities in this category is estimated at \$18.2 million.

F. AFFORDABLE HOUSING PROGRAM

The Agency will promote the development of a mixed-income neighborhood through providing assistance in the development and preservation of affordable housing in the Project Area.

The Agency may establish a range of housing programs that seek to enhance project design and leverage federal, state, and private funding sources to develop high quality, attractive, and affordable housing developments serving a diverse population. The funds directed toward this program will be used in a flexible manner in order to respond to favorable development opportunities.

The type of financial assistance to be provided may include cost write-down and gap financing for projects utilizing federal and state tax credits, grant or loan funds to facilitate design enhancements, property acquisition, construction and predevelopment. Appropriate uses of these funds include new affordable rental and ownership housing construction.

As part of the Affordable Housing Program, the Agency will undertake the following projects to correct the deficiencies in the proposed Project Area:

- Expand the City's supply of extremely low-, very low-, low- and moderate-income housing.
- Expend affordable housing funds in accordance with the CRL, including spending at least 20 percent of tax increment on affordable housing.
- Facilitate development of new affordable housing.
- Facilitate housing for the elderly and others with special needs.
- Provide housing and related assistance to homeless individuals.

1. Special Affordable Housing Production Policies

Community Redevelopment Law requires that at least 15 percent of all new and substantially rehabilitated dwelling units developed within the Project Area shall be available at affordable housing cost to, and occupied by, persons and families of extremely low-, very low-, low- or moderate moderate-income. The Agency shall exceed this CRL requirement by making at least 20 percent of all new and substantially rehabilitated dwelling units available to households earning no more than 60 percent of area median income for rental units and to households earning

no more than 100 percent of area median income for owner-occupied units. In addition, not less than 40 percent of these units shall be available at affordable housing cost to, and occupied by, extremely low- and very low-income households.

Community Redevelopment Law requires that at least 30 percent of all new and substantially rehabilitated dwelling units developed directly by the Agency shall be available at affordable housing cost to, and occupied by, persons and families of extremely low-, very low-, low- or moderate moderate-income. The Agency shall exceed this Community Redevelopment Law requirement by making all new and substantially rehabilitated dwelling units developed by the Agency rental units available at the deepest levels of affordability feasible, but that under any circumstances do not exceed levels of affordability for households earning no more than 60 percent of area median income. Not less than 50 percent of these dwelling units shall be available at affordable housing cost to, and occupied by, extremely low- and very low-income households.

Over the term of the Redevelopment Plan, the Agency shall use no less than 50 percent of the total tax increment funds that the Mayor and Board allocate to the Agency for its Mid-Market redevelopment activities for the purposes of increasing, improving, and preserving the City's supply of housing for persons and families of extremely low, very low, low or moderate income.

2. Special Affordable Housing Preservation Policies

It will be the policy of the Agency to implement an affordable housing preservation program in the Project Area. The goal of the program will be to preserve the number of affordable housing units (approximately 1,221 units) that existed in the Project Area at the time of adoption of the Mid-Market Redevelopment Survey Area in 1995. New rental units that are created in accordance with this section shall be made available to households earning no more than 60 percent of area median income, and new owner-occupied units shall be made available to households earning no more than 100 percent of area median income.

3. Affordable Housing Participation Policy for Private Development

In order to facilitate the Agency's affordable housing production goals as discussed above, all developers of housing within the Project Area shall comply with the Citywide Inclusionary Housing Ordinance, and as amended by the Mid-Market SUD.

These amendments include:

- A minimum requirement that 12 percent of all units be affordable regardless of whether or not a conditional use (CU) approval is necessary. Outside of the Project Area, projects not needing a special CU approval are only required to produce 10 percent of the units as affordable.
- Off-site affordable units can only be developed when they result in net new housing within the Project Area boundaries (not resulting in the loss of any SRO or other affordable housing units within the Project Area), and the number of units required for off-site production is increased to 17 percent. Currently, developers may opt to produce required affordable units anywhere in the City at the required 17 percent rate.
- Eight years after the adoption of the Redevelopment Plan, the inclusionary requirements shall be increased by 3 percentage points – the requirement for affordable units being built on-site increases from 12 percent to 15 percent, and from 17 percent to 20 percent for affordable units being built off-site.
- Long-term affordability covenants must be retained for the life of the housing project. This includes 55 years for rental housing and 45 years for homeownership.
- Any in lieu fee shall be paid to the Agency for the purpose of developing affordable housing in the Project Area instead of the City's fund.
- Developers of housing that receive financial assistance or some other material benefit, such as site assembly, site specific capital improvements, or a plan amendment as an incentive to redevelop, may be required to comply with the higher requirements of the Agency's Housing Participation Policy as a condition of such assistance or approval.
- Developers interested in taking advantage of a limited 20' height bonus must produce 1.5 percent more affordable housing for each additional floor built. For example; the inclusionary requirement for a developer taking advantage of the 20' height bonus, allowing two additional stories of housing, would be increased from 12 percent

to 15 percent. In 8 years, the inclusionary requirement for this bonus would increase to 18 percent.

Estimated Program Costs

The Agency cost for the Affordable Housing Program is projected to be \$114.2 million, not including administration costs. Refer to Section VII for further discussion regarding the projections of tax increment to be set aside for affordable housing activities.

VII. PROPOSED METHOD OF FINANCING AND FEASIBILITY

A. INTRODUCTION

This section describes the public and private financing for the Mid-Market Redevelopment Plan. It estimates total funding requirements, identifies potential resources and methods of financing available to the Agency, projects tax increment and other revenues, and assesses the general financial feasibility of the Mid-Market Redevelopment Program. The analysis in this section supports the conclusion that tax increment financing is a necessary component of the Redevelopment Plan to eliminate blighting conditions in the Project Area and achieve the goals outlined in the Redevelopment Program.

While the Agency will pursue all potential funding sources, no single funding source or combination of sources is anticipated to be sufficient to accomplish the redevelopment activities necessary to alleviate the blighting conditions, stimulate private investment and attain the ultimate goal of revitalizing the Project Area. Together with other public and private revenue sources, tax increment financing will be the critical funding component in helping the Agency meet the costs required for a long-term revitalization effort.

B. ESTIMATED AGENCY FUNDING REQUIREMENTS FOR THE REDEVELOPMENT PROGRAM

The estimated net costs to the Agency to complete the Redevelopment Program are summarized in Figure 19. The cost of the non-housing components of the Redevelopment Program is \$104.1 million. The cost of the Agency's Affordable Housing Program is \$114.2 million.

The Agency will also contribute a significant amount of the tax increment revenue generated by the Project Area to affordable housing activities. Over the term of the Redevelopment Plan, the Agency shall use no less than 50 percent of the total tax increment funds that the Mayor and Board allocate to the Agency for its Mid-Market redevelopment activities for the purposes of increasing, improving, and preserving the City's supply of housing for persons and families of extremely low, very low, low or moderate income. Not less than 50 percent of these dwelling units shall be available at affordable housing cost to, and occupied by, extremely low- and very low-income households.

Although the Agency will play a major role in planning and guiding the redevelopment process, successful revitalization of the Project Area will require a concerted effort by

both the public and private (including non-profit) sectors. Due to the substantial investment required, the private sector is unable to support the cost of these activities on its own, and tax increment financing is necessary.

Figure 19: Estimated Net Cost to Agency of Mid-Market Redevelopment Program

Redevelopment Program	Net Cost to Agency
Non-Housing Redevelopment Program	
Implementation Planning and Outreach	\$6,000,000
Public Improvements/Facilities/Utilities	\$26,200,000
Arts, Culture and Entertainment Infrastructure	\$37,000,000
Commercial Economic Development/Physical Rehabilitation	\$18,201,000
	\$87,401,000
Affordable Housing Redevelopment Program	
Affordable Housing Development	\$99,281,000
Administration and Community outreach	
Non-Housing Redevelopment Program Administration	\$14,356,000
Affordable Housing Administration	\$14,939,000
Community Outreach (including PAC)	\$2,349,000
	\$31,644,000
Total Redevelopment Program Costs	\$218,326,000

Source: San Francisco Redevelopment Agency

Public revenue sources such as Community Development Block Grant (CDBG) funds and the City's General Fund are either currently unavailable, dwindling, or insufficient to cover the cost of the entire proposed Redevelopment Program to alleviate blight and revitalize the Project Area. Thus, a funding gap or shortfall exists for which no sources of financing (other than tax increment financing) are available or sufficient. Tax increment financing is the most reliable source of long term funding available to the Agency and the City and is the only source of financing that will generate sufficient revenue to meet the funding gap.

C. POTENTIAL FUNDING SOURCES OTHER THAN TAX INCREMENT FINANCING

This section describes a range of supplemental funding sources that may be available to assist in financing the Redevelopment Program to varying degrees. Each potential source includes a brief description and evaluates whether it is a viable funding source.

1. Mid-Market Special Use District

Two unique proposals are included in the Mid-Market SUD and are aimed at generating direct revenue for public improvements and non-profit arts, culture and entertainment organizations in exchange for more development potential on a given site. These revenues would aid in implementing the Redevelopment Program. Since they are only two of several options available to developers, there is no guarantee that these particular options will prove popular or create an earmarked and specific amount of revenue. Developers indicate there is sufficient demand for such options. Therefore the Agency concludes that some revenue is likely from these sources.

a) Mid-Market Arts Space Fund

Private developers will have the option of increasing the development potential of their sites through participation in a program to facilitate the provision and upgrade of non-profit arts, cultural and entertainment facilities in the Mid-Market area. Developers could purchase "Arts Credits" for additional gross square footage of development up to a certain maximum currently allowed by underlying zoning. The money would be placed into a dedicated Mid-Market Arts Space Fund. The price of an Arts Credit will be established by regulation by the Board of Supervisors after the Planning Commission and the Agency have completed a study and made a recommendation.

b) Off-site Payment Option for Provision of Required Open Space

Private developers will have the option of providing 40 percent of their required on-site publicly accessible open space off-site by providing payment to another public or private entity that would in turn be responsible for developing that publicly accessible open space. One or more of the following types of open space will satisfy the definition of publicly accessible open space: (1) an unenclosed park or garden, (2) an unenclosed plaza at street grade, with seating areas and landscaping, (3) an unenclosed pedestrian pathway which extends through the building, is accessed from a public street at grade and is landscaped and has access to natural light and ventilation, (4) a sun terrace or roof garden with landscaping, and (5) streetscape improvements with

landscaping and pedestrian amenities that result in additional space for pedestrian use beyond the pre-existing sidewalk width, such as sidewalk widening.

2. Interest Income

Some income will accrue to the Agency from the investment of tax increment revenues and tax increment bond proceeds. Income from this source could be made available for a variety of redevelopment activities. However, much, if not all, of the interest income will likely be offset by the need for the Agency to pay interest on indebtedness, including Agency issued bonds. Actual income from this source would also be influenced by the amount of money available for investment, term of the investment, and achievable interest rates.

3. Citywide Affordable Housing Fund

The Agency's Affordable Housing Program dedicates a minimum of 20 percent of the Agency's tax increment funds to the development of affordable housing. Since 1990, over \$288 million in Agency funds has aided the creation or preservation of more than 9,000 housing units for low- and moderate-income families and individuals throughout San Francisco. Funds are generated by development within redevelopment project areas but are invested in affordable housing developments citywide, both within and outside of redevelopment areas.

Distributed as grants and loans, funds aid in all stages of development. Agency assisted housing units are wide ranging and include: family apartments, SRO residential hotels, special needs/supportive housing, emergency shelters, transitional facilities, rental and home ownership opportunities - both new construction and rehabilitation.

Because the Agency does not own any land in the Project Area, its ability to control affordable housing production is limited. Therefore, the Agency has already begun funding two affordable housing projects within the proposed Mid-Market Redevelopment Project Area in order to ensure future compliance with CRL mandated affordable housing production goals. Because citywide affordable housing funds are limited and there are affordable housing needs citywide, it is not anticipated that existing funds in the Citywide Affordable Housing Fund could be the sole source of financing for affordable housing in the Project Area. If adopted, the Mid-Market Project Area would generate approximately \$149.4 million in tax increment revenues to fulfill its affordable housing goals.

4. Housing Opportunities For Persons With Aids (HOPWA) Program

The Agency administers the federal HOPWA Program for San Francisco, Marin, and San Mateo counties. Under this program, the U.S. Department of Housing and Urban Development (HUD) provides funds for a wide range of housing-related capital development and service activities for people with HIV/AIDS. Since 1992, over \$33 million in capital funds and \$98 million in supportive service funds has assisted the creation of more than 431 housing units in San Francisco alone.

The HOPWA Program aims to increase the size of the permanently affordable housing stock, expand housing opportunities to meet the needs of the City's HIV/AIDS residents, provide appropriate housing-linked supportive services, and assist non-profit housing developers and service providers in increasing their skills and ability to create HIV/AIDS housing and related supportive services. Because this program is targeted to a very specific population in which funding options are becoming more and more scarce, this potential source of revenue will not likely fund substantial amounts of affordable housing in the Project Area.

5. Lease Revenues

Broad authority exists to issue revenue bonds secured by sources other than tax increment, such as tenant leases on publicly owned facilities. The Agency does not currently own or expect to own substantial properties in the Project Area. Therefore, lease revenue bonds secured by lease revenues from development are not anticipated to be a source of the debt financing techniques for the components of the Agency's Redevelopment Program.

6. Development Impact Fees

The City charges development impact fees on new private development within San Francisco to mitigate specific consequences of new growth. Impact fees are used to increase levels of service for future residents and businesses that are needed as a result of new or increased demand on existing services and facilities. The City currently imposes the following fees on new development: Citywide Affordable Housing, Downtown Park, Child Care, Transit, School and Artwork Fees. Different requirements exist for each fee, and some are only applicable to certain areas of San Francisco.

Under applicable state laws regarding the imposition of development impact fees, such fees can be imposed on a new private development only to the extent that a

direct nexus or relationship exists between the need for public facilities caused by such new development and the level of fees imposed. Since many public improvements are needed to serve an existing population as well as to serve the new development, it is often the case that development impact fees will cover only a portion of the cost of needed public improvements. All of the fees potentially apply to the Project Area, but the fees are used citywide and not restricted for use within the Project Area, and will only be a partial source of funding for the Redevelopment Program activities, such as streetscape improvements, infrastructure and public facilities.

7. Developer And Property Owner Participation

In addition to development impact fees, developer and property owner participation has been used as a means for funding redevelopment activities in many communities. For example, funds may be advanced to a city or agency in the form of a negotiated fee or grant, or a loan for public improvements that is repaid during the course of project implementation from tax increment revenues. Some agencies have development agreements with developers, by which developers contribute funding for specific improvements, such as infrastructure and street improvements. Property owners provide repayment on low interest loans or are required to provide private funds to match agency rehabilitation grants. Although the Agency is interested in pursuing such funding opportunities, such participation is speculative and cannot be relied on entirely. It would not be prudent for the Agency to base a long-term project on the ability of prospective developers to advance funds for redevelopment activities.

8. Assessment Districts

Assessment districts enable a city to levy additional taxes on property within designated areas in order to finance improvements directly benefiting those areas. Bonds are issued to finance local improvements such as streets, sidewalks, and parking facilities. Typically, an assessment district is formed to undertake a particular public improvement, and bonds are issued under one of two major assessment acts: the Improvement Act of 1911 and the Improvement Bond Act of 1915. Upon the issuance of bonds, the district has the power to assess all property owners included in the district in order to repay the borrowed funds. An assessment district can be established as its own jurisdiction, or it can be included under a city's taxing system, assuming that the improvement is located entirely within a city's jurisdiction. Assessment districts are not limited by Proposition 13 and Proposition 4, and have the additional advantage of placing the costs of public facilities directly on the benefited property owners. For this very reason, it is unlikely that this type of assessment would make sense at this

time for the Project Area, given the additional financial burden that would be placed on property owners who are either struggling to maintain existing properties or are neglecting their properties. An assessment district might make sense for Market Street as a whole or for the Project Area in particular at a later date when revitalization efforts have taken hold. This is a particularly important funding mechanism to consider in the sunset years of the Redevelopment Plan if property owners and community members would like to continue to see particular projects or programs continue in the Project Area after the 30 year life of the Redevelopment Plan.

9. Gas Tax

The State of California imposes a tax on gasoline, aircraft jet fuel and diesel fuel sales. An interstate user tax and use fuel tax is also collected by the State. Approximately one-third of the gasoline, diesel fuel and use fuel tax revenues are distributed to local jurisdictions on a formula based on population and other factors. These revenues may be used for street maintenance and construction activities. The City's revenue estimates for FY 2004/05 include approximately \$26.5 million in gas tax revenues, which are distributed between the Department of Public Works (DPW) and the Municipal Transportation Agency (MTA).³⁴ Gas tax funds are a potential source of funding for circulation improvements in the Project Area.

10. Transportation Development Act (TDA) Funds

Transportation Development Act (TDA) funds are generated statewide through a one-quarter cent tax on retail sales in each county. TDA funds may be used for transit projects, special transit projects for disabled persons, and bicycle and pedestrian purposes. The City and County of San Francisco may not use TDA funds for street and road construction and maintenance due to statutory restrictions on counties with populations greater than 500,000. San Francisco receives an annual TDA apportionment, and the Metropolitan Transportation Commission determines the ways in which the funds are spent. Activities funded by TDA generally include regional and municipal transit programs, bikeway improvements and other programs designed to reduce automobile usage. In FY 2001/02, the City's apportionment totaled \$29.7 million. TDA funds are a potential source of funds for improvements designed to reduce automobile usage, such as pedestrian and bicycle networks.

³⁴ City and County of San Francisco Consolidated Budget and Annual Appropriation Ordinance, Fiscal Year Ending June 30, 2005, File No. 040725. Ordinance 197-04.

11. Brownfield Economic Development Initiative (BEDI)

The Brownfield Economic Development Initiative (BEDI) is a federal grant designed to help local governments redevelop brownfields. Brownfields are defined as abandoned, idled, or underutilized properties, including industrial and commercial facilities, where expansion or redevelopment is complicated by the possible presence of environmental contamination. A BEDI grant award from HUD must be linked with a new commitment under another federal loan program (Section 108) providing loan funds. Both Section 108 loan guarantee proceeds and BEDI grant funds are initially made available by HUD to local government agencies eligible for assistance under HUD's Community Development Block Grant (CDBG) program. A local government may re-loan the Section 108 loan proceeds and provide BEDI funds to a business or other public entity eligible to carry out a specific approved brownfields economic development project, or the public entity may carry out the eligible project itself. In either case, BEDI grant funds and the Section 108 proceeds must be used to support the same eligible BEDI project. This funding could assist in the remediation of sites, making them economically viable to develop.

12. Mills Act

Authorized by the State in 1976, the Mills Act allows an owner of an eligible historic property to enter into a ten-year contract with a participating city to rehabilitate the building in exchange for a reduction in local property taxes. Owner occupied single family residences or income producing commercial properties may qualify for the Mills Act program. However, eligible properties must be listed on the National Register of Historic Places, be located in a National Register or local historic district, or be listed on a state, county or city official register. Adopted by the City in 1996, the Mills Act could be an applicable source of funds for historic preservation projects in the Project Area.

13. City Of San Francisco General Fund

The general fiscal condition of the City makes any ongoing direct financial support of redevelopment activities problematic. State and federal governments have continued to reduce funding and shifted costs and new programs to cities and counties. Cities have a limited ability to raise revenues, which might offset new costs or replace lost revenue. In addition to funding essential functions such as police and fire services, the City anticipates major capital expenditures to address the demands on, and needs of, City facilities. The City closed a deficit of \$347 million in its FY 2003/04 budget and a \$307 million deficit in its FY 2004/05

budget. Also, further cuts in state funding to the City are anticipated and will place further pressure on the City budget. As a result, no reliance can be made on the City General Fund as a major source of redevelopment funding.

14. Community Development Block Grants (CDBG)

Community Development Block Grants (CDBG) are allocated by HUD to fund activities such as public works; rehabilitation loans and grants; land acquisition, demolition, and relocation for redevelopment; public services; and affordable housing, social services and projects for the elderly or handicapped. CDBG-funded projects and activities must principally benefit low- and moderate-income persons, aid in the prevention or elimination of blight or address an urgent need. CDBG funds have provided a limited source of revenue for many redevelopment activities in California. In the past, the City and Agency have used some CDBG funding for redevelopment activities, but the funds have been very limited. In recent years, most of the CDBG funds have been used to construct and rehabilitate housing, and provide needed services and facilities, such as day care, to lower-income residents. Given the competing needs in the City, very few CDBG funds are available for public improvements. Given these factors, coupled with federal budget constraints, it is unlikely that CDBG funds can be counted upon as a source of revenue for redevelopment projects and activities (other than City-sponsored affordable housing) in the Project Area.

15. Economic Development Administration (EDA)

The Economic Development Administration (EDA) of the federal government has typically been an important source of grants for economic development and financing infrastructure improvements. However, these funds are very limited, and funding is not guaranteed over the long term. The Agency does not anticipate receiving significant assistance from EDA to fund redevelopment projects and activities because EDA funds are competitively allocated, and because EDA typically makes awards of less than \$1 million per project.

16. State Of California Economic Development Programs

The primary economic development program of the State of California is redevelopment authorized by the CRL. The State does not have any significant source of funding other than redevelopment to fund revitalization activities in the City. While the State provides technical assistance funds, such as for the Main Street program, it does not have any source of significant capital funding for revitalization activities.

17. Private Donations

Private donations by individuals, civic booster organizations, or corporate sponsors could make a small, but recognizable contribution to the implementation of the Redevelopment Program. Donations could be used to fund all or part of minor streetscape improvements such as benches, entrance signage, directional signs, bicycle racks, historic signage or landscaping. However, in terms of the total funding needs of the Redevelopment Program, donations may be expected to provide only a small part of the needed implementation funding.

D. TAX INCREMENT FINANCING

Tax increment revenue generated by the increase in property values within the Project Area will be the primary source of financing for the Agency's Non-Housing and Affordable Housing Program. Based on the assumptions outlined in this section, the tax increment revenues generated over the tax increment collection period of the Redevelopment Plan are projected to be sufficient to meet the Redevelopment Program costs for both the Agency's housing and non-housing projects and activities that cannot reasonably be financed wholly from other sources.

The CRL imposes specific time and fiscal limits on particular redevelopment activities, which are summarized below. These time and fiscal limits will apply to the Redevelopment Plan and will affect the amount of tax increment revenue the Agency can receive.

- **Time Limit to Incur Debt**
The Agency's ability to enter into new bonded indebtedness is limited to 20 years from the adoption of the Redevelopment Plan.
- **Time Limit to Carry out Projects**
The Agency must complete all project activities within 30 years after adoption of the Redevelopment Plan.
- **Time Limit to Receive Tax Increment and Repay Debt**
The Agency can collect tax increment for 45 years to repay debt. Thus, the Agency has 25 years to repay bonds issued in year 20, the last year for issuance of debt. The Agency can continue to repay debt for 15 years after it has completed all project activities.

- **Limit on Amount of Outstanding Bonded Indebtedness**

The Redevelopment Plan must include a limit on the total amount of outstanding bonded indebtedness secured by tax increment revenue. The Agency intends to limit the amount of outstanding bonded indebtedness over the life of the Redevelopment Plan to \$300 million.

E. HOW TAX INCREMENT FINANCING WORKS

The first major step in the implementation of a tax increment financing program is accomplished at the time the Board of Supervisors formally adopts the Redevelopment Plan. The County Controller determines the total value of taxable property within the boundaries of the Project Area and establishes a base year for tax increment purposes. The tax roll is formally called the base year assessment roll and more commonly referred to as the base year, frozen base or base assessed value. The establishment of a base year permits a reallocation of property tax revenue within the Project Area. The base year includes the total value of all taxable property in the Project Area that appears on the secured tax roll, the unsecured tax roll and the utility tax roll.

As the blighted properties of the Project Area are placed into a more productive use, the resulting increase in property value has the potential to generate property tax revenue. In most redevelopment project areas, the incremental increases in tax revenue are used to fund public facilities and leverage new private investment, resulting in substantial increases in property values. This public reinvestment policy leads to the long-term ability of taxing agencies in San Francisco, such as the San Francisco Unified School District and the City and County of San Francisco, to collect property taxes they would not have otherwise realized without redevelopment.

1. Distribution of Property Taxes During Project Implementation

If the Redevelopment Plan is adopted, all of the entities that levy taxes in the Project Area will continue to receive all property tax revenues derived in the relevant base year from the Project Area. Following adoption of the Redevelopment Plan, property tax revenues over the base year are designated as tax increment revenue. The Agency must meet certain statutory and other obligations with this gross tax increment before it receives the tax increment available for non-housing projects.

a) Set-Aside for Affordable Housing Fund

Section 33334.2 of the CRL requires that 20 percent of the gross tax increment revenues generated be used for increasing and/or improving San Francisco's

supply of affordable housing. In other words, 20 cents out of each tax increment dollar generated during the life of the Project Area must be set aside in the Affordable Housing Fund to finance the Agency's affordable housing program. The Agency is obligated to set aside 20 percent of all tax increment revenues generated from parcels in the Project Area and has made the policy decision to allocate 50 percent of the tax increment to affordable housing. Administrative costs related to the implementation of the Affordable Housing Program are paid out of the Affordable Housing Fund.

b) Statutory Pass-Through Payments

Each taxing entity, including the City and County of San Francisco, that derives property tax revenue from within the Project Area is guaranteed an annual payment from the Agency. These payments are termed pass throughs, since the Agency shares this portion of tax increment revenues it receives with the taxing entities. The pass-through payments increase each year, based on standard formulas required by the CRL. Each entity receives a payment in proportion to its property tax levy within the Project Area. The pass-through payments constitute the State Legislature's determination of the amount of payments necessary to alleviate any financial burden imposed by the redevelopment program to the affected taxing entities. CRL Section 33607.5(f) (1) (B) states that the statutory pass-through payments "are the exclusive payments that are required to be made by a redevelopment agency to affected taxing entities during the term of a redevelopment plan."

Increased property tax revenues above the base year are allocated to the Agency to be used to fund the costs of implementing the Redevelopment Program and to make the pass-through payments described above. The Agency may use tax increment revenues to pay costs directly, or it may borrow funds or issue bonds that are supported by future tax increment revenues. The tax increment projections assume that the Agency collects tax increment for 45 years after adoption of the Redevelopment Plan.

2. Distribution of Property Taxes After Project Completion

When a redevelopment project is completed and loans or other indebtedness have been repaid, all property taxes will flow back to the affected taxing entities. These entities then benefit from increases in property tax revenues resulting from a revitalized and redeveloped project area. In many communities, such increases are substantial. In fact, over time, taxing entities can recoup sufficient revenues following project completion to compensate for the property tax revenue that was used for tax increment during the redevelopment implementation period.

This recovery would occur because the increases in assessed valuation from project area revitalization are sufficiently greater under redevelopment than the assessed valuation increases that would have occurred without redevelopment. Property tax revenues are likely to grow more rapidly and reach higher levels than if the base were to develop without the guidance of the coordinated development strategy and infusion of tax increment funds provided by the Redevelopment Plan. Thus, payments to the affected taxing entities in a redevelopment area can exceed the property taxes that the taxing entities would reasonably expect to receive from a slow-growing assessed valuation roll without redevelopment.

F. ASSUMPTIONS USED IN TAX INCREMENT PROJECTIONS

1. Base Year Value

The base year for the Mid-Market Redevelopment Project is proposed to be FY 2005/06. The FY 2005/06 assessed value of the proposed Project Area is \$621,105,853, of which \$598,446,116 is the assessed value for real property and \$22,659,737 is the assessed value for personal property, e.g., computers used in a business, according to the Controller's office. This value is known as the base year value and is used to compute tax increment.

2. Growth Assumptions

Tax increment revenues are projected by applying the effective property tax rate of one percent to the estimated increased assessed value over the frozen base. Tax increment revenues are generated from the growth in assessed value above the frozen base. Growth in assessed property value in the Project Area is based on the following three growth factors:

a) Annual Two Percent Inflation

The annual inflation rate is assumed to be two percent per year for properties that remain in the same ownership. Two percent is the maximum annual increase that is allowed by the California State Constitution as a result of Proposition 13 in the absence of certain events that can trigger a reassessment, such as a sale or construction of new improvements. This two percent inflation factor is applied to the assessed value of secured and personal property.

b) Reassessment Adjustment

The annual reassessment adjustment represents increases in assessed value following property reassessment, which is triggered by: (1) the transfer (sale) of real property, (2) upgrading of real property improvements due to rehabilitation or additions to existing buildings, or (3) the reassessments of new development to market value once construction is completed. The reassessment adjustment is assumed to be 3 percent per year starting in FY 2005/2006 through the end of the Redevelopment Plan to account for ongoing sales, upgrades, and reassessments due to anticipated new development.

c) New Development

An adjustment for new development is based on estimates of growth that will occur with new construction and rehabilitation. The tax increment models use development projections through FY 2016/17 estimated by the Agency. The estimate of total new development is based on projections for specific development opportunity sites in the Project Area and is consistent with and lower than the assumptions for total new development used in the Mid-Market FEIR.

G. TAX INCREMENT PROJECTIONS

The tax increment projections are intended only as estimates, based on the best available information. Actual tax increment revenues may be higher or lower. The development projections shown in the Appendix are not intended to predict future development, but rather to provide a reasonable estimate, on an average annualized basis, of potential tax increment growth based on the increase in assessed value resulting from new development. These projections are based on the best available information and analysis techniques and actual tax increment generated in each year will vary. The projections that are summarized below are provided in Appendix C.

The Project Area is projected to generate \$790.2 million in gross tax increment revenue over the 45-year time span that the Agency is allowed to collect tax increment. After the Agency first uses portions of its allocated future tax increment revenue to pay \$158.0 million in pass-through obligations, \$316.1 million will be available to accomplish the Agency's Non-Housing Redevelopment Program, and \$316.1 will be available for the Affordable Housing Fund, including the repayment of any indebtedness for 15 years after the Redevelopment Plan formally ends in year 30.

Tax increment revenues will accrue over time, with limited revenues in the early years of implementation that will grow as the assessed value of the Project Area increases. For this reason and because tax-increment revenue is not legally available to carry out projects of the Redevelopment Program after the expiration of the 30 year life of the Redevelopment Plan, the Agency typically uses bond financing, or borrowing money, as the primary means of financing the Redevelopment Program throughout its 30 year implementation life. Figures 20 and 21 summarize the financial feasibility scenario analyzed for financing the Mid-Market Redevelopment Program over 30 years assuming the combined use of "pay as you go" tax increment and bond financing that is leveraged from the remainder of the tax-increment. The Affordable Housing Fund will accumulate \$149.4 million and the Non-Housing fund will accumulate \$149.4 million.

H. FINANCIAL FEASIBILITY OF THE PROPOSED MID-MARKET REDEVELOPMENT PROJECT

Together with other public and private revenue sources, tax increment revenues will be a critical funding component in helping the City and Agency to meet the costs required to implement the Redevelopment Program. The cost of redevelopment projects and activities designed to overcome documented blighting conditions (as detailed in Sections IV and V) exceeds the level of funding resources reasonably available from other public and private financing mechanisms by a substantial margin. Together with other public and private revenue sources, tax increment will be the critical funding component in meeting the cost of redeveloping the Project Area.

Although the estimated project costs and the revenues will vary over time from those set forth in the estimates and projections presented in this section, it is reasonable to conclude that the Redevelopment Program is financially feasible within the 30 year duration of the Redevelopment Plan plus an additional 15 years to collect tax increment and repay debt. The Agency will adopt an annual budget and adopt an Implementation Plan every five years to assure that the Mid-Market Redevelopment Program is financially feasible throughout the life of the Redevelopment Plan.

Figure 20: Sources and Uses of Funds
Mid-Market Affordable Housing Fund (30 years)

Sources of Funds (30 Years)	Revenue Balance
Tax increment	\$149,388,000
Bond Proceeds	\$62,607,000
Total Sources of Funds	\$211,995,000
Uses of Funds (30 years)	
Affordable Housing Fund	-\$99,281,000
"Pay as you go" tax increment	-\$36,674,000
Bond Proceeds	-\$62,607,000
Agency Admin Costs	-\$14,939,000
Debt Service (5.5%)	-\$97,775,000
Total Uses of Funds	-\$211,995,000
Sources Less Uses	\$0

Figure 21: Sources and Uses of Funds
Mid-Market Non-Housing Fund (30 years)

Sources of Funds (30 years)	Revenue Balance
Tax increment	\$149,388,000
Bond Proceeds	\$61,596,000
Total Sources of Funds	\$210,984,000
Uses of Funds (30 years)	
Non-Housing Program Fund	-\$87,401,000
"Pay as you go" tax increment	-\$25,805,000
Bond Proceeds	-\$61,596,000
Community Outreach (including PAC)	-\$2,349,000
Agency Admin Costs	-\$14,356,000
Debt Service (5.5%)	-\$106,878,000
Total Uses of Funds	-\$210,984,000
Sources Less Uses	\$0

VIII. IMPLEMENTATION PLAN

Per Section 33352(c) of the CRL, the Implementation Plan prepared as part of the Report on the Redevelopment Plan must describe the specific goals and objectives of the Agency, specific projects proposed by the Agency, including a program of actions and expenditures proposed to be made within the first five years of the adoption of the Redevelopment Plan, a description of how these projects will improve or alleviate the blighting conditions in the Project Area, and show how the requirements for low- and moderate- income housing in the community will be met. The five-year Implementation Plan for the Mid-Market Redevelopment Project is provided in Appendix D.

IX. METHOD OR PLAN FOR RELOCATION

Section 33352(f) of the CRL requires that the Agency's Report contain a "Method or Plan" for "the relocation of families and persons to be temporarily or permanently displaced from housing facilities in the project area, which...shall include the provision required by Section 33411.1." Additionally, Section 33411 of the CRL requires the Agency to prepare a feasible "method or plan" for relocation of nonprofit local community institutions to be temporarily or permanently displaced from facilities actually used for institutional purposes in the Project Area.

Section 33411.1 requires the legislative body to insure that "...such method or plan of the Agency...shall provide that no persons or families of low and moderate income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents comparable to those at the time of their displacement. Such housing units shall be suitable to the needs of such displaced persons or families and must be decent, safe, sanitary, and otherwise standard dwelling. The Agency shall not displace such person or family until such housing units are available and ready for occupancy."

The Method or Plan for Relocation is contained within this Report as Appendix E.

X. ANALYSIS OF THE PRELIMINARY PLAN

The Mid-Market redevelopment planning process was initiated in mid-1994 at the request of area stakeholders and formalized by the Board of Supervisors in December 1995 with the creation of the Mid-Market Redevelopment Survey Area (Survey Area). Since then the proposed Project Area boundaries have been reduced and now include a much smaller territory than the original Survey Area.

1. Original Mid-Market Redevelopment Survey Area Adopted in 1995: Fourth Street to Octavia Street

The original Survey Area extended approximately from Fourth Street to Octavia Street along the Market and Mission Street corridors. In 1996 and 1998, respectively, the Mid-Market Preliminary Plan and the Mid-Market Concept Plan laid out potential redevelopment concepts for the Survey Area. Both documents stated that revitalization and development strategies for the entire Survey Area would not rely solely on the resources of the Agency, but would utilize a larger citywide approach to revitalization with the resources of redevelopment applied to specific projects or programs.

The Mid-Market Preliminary Plan, adopted by the Planning Commission in December 1996, was a general statement of land uses, layout of principal streets, population densities, building intensities, and standards proposed as the basis for redevelopment of the Project Area:

- The layout of the street grid was to remain essentially the same;
- Population density was targeted for 400 persons per gross acre with an average dwelling unit density of 1:125, except for SRO units;
- Building intensity allowed for floor area ratios (FAR) ranging up to a maximum of 6:1;
- Development standards called for new development to consider the surrounding physical environment, historic preservation, existing urban development, existing development controls and design policies included in the General Plan; and
- South of Market properties that lie within the South of Market Zoning Districts would remain subject to the policies and objectives of the South of Market Plan and subject to the provisions of the South of Market zoning controls.

The Mid-Market Concept Plan, published in July 1998 by the Agency, set forth a community-based vision for the revitalization of the Survey Area in a manner that built upon the Mid-Market area's existing land use patterns and assets and created better connections to neighboring districts. The document identified four sub-areas that would form the basis for future redevelopment programs:

- The Gateway: A sub-area from Octavia Street to 11th Street. Growth and development would be encouraged in line with the existing neighborhood character. Land use patterns would be promoted in a similar manner with special attention to maintaining the area's vital regional transportation function.
- Mid-Town: A sub-area from Sixth Street to 11th Street. Several large vacant and underutilized sites, along with smaller infill opportunities, would be utilized for new major residential development that would complement the South of Market and North of Market communities, and intensive institutional and retail activity.
- Retail and Tourism District: A sub-area from Fourth Street to Sixth Street. Land use and other linkages would be encouraged between this sub-area and the retail and tourist activities on Fourth and Fifth Streets, and the arts, theater, cultural and entertainment activities of Yerba Buena Center.
- Arts and Entertainment District: A sub-area that overlays all others, focused on intensifying arts, theater, cultural and entertainment uses.

2. Reduction of the Mid-Market Study Area in 2000-2001: Fifth Street to Eighth Street or Tenth Street

The Agency conducted a preliminary blight survey and analysis in October 2000, which was reconfirmed in May 2001. Based on these results, Agency staff recommended the reduction of the proposed Project Area boundaries to properties between Fifth Street to Eighth Street and all properties bounded by and fronting on Market Street and Mission Street, or an alternative boundary that also included those properties near to or adjacent to Mission Street between Eighth and Tenth Streets. Since then, Agency staff has conducted additional blight analyses, and consulted with area stakeholders and the Mid-Market PAC, to propose the current Project Area boundaries extending from Fifth to Tenth Streets along the Market and Mission Street corridors. During the summer of 2002, the proposed project boundaries from Fifth to Tenth Streets were established.

On June 23, 2005, in Case No. 2002.0805RTZ, by Motion No. 17050, the Planning Commission amended the Preliminary Plan for the Mid-Market Redevelopment Project Area, found it in conformity with the San Francisco General Plan, certified the final EIR and found that draft Mid-Market Redevelopment Plan consistent with the General Plan.

XI. REPORT AND RECOMMENDATION OF THE PLANNING COMMISSION AND REPORT REQUIRED BY SECTION 65402 OF THE GOVERNMENT CODE

Section 33352(h) of the CRL requires that the Agency's Report on the Redevelopment Plan contain the report and recommendations of the Planning Commission on the proposed Redevelopment Plan. Section 33352 (j) of the CRL requires that the Agency's Report on the Redevelopment Plan contain the report required by Section 65402 of the Government Code. Section 65402(c) states among other things, that no real property should be acquired by dedication or otherwise for public purposes, no real property shall be disposed of, no street shall be vacated or abandoned and no public building or structure shall be constructed or authorized until such activities have been submitted to and reported upon by the local planning agency as to conformity with the jurisdiction's adopted general plan.

Following adoption of the original Mid-Market Preliminary Plan in 1997, the Agency, working with the Mid-Market PAC, refined the Preliminary Plan by reducing the boundaries and limiting height and bulk development standards. The Agency, working with the PAC, developed a draft Mid-Market Redevelopment Plan. The San Francisco General Plan, particularly the Housing Element, Transportation Element, Urban Design Element and the Downtown Area Plan, contain policies applicable to the proposed Mid-Market Project Area. These policies are generally consistent with development envisioned within the Mid-Market Redevelopment Plan. On June 23, 2005, by Motion No. 17050, the San Francisco Planning Commission, among other actions, found the Mid-Market Redevelopment Plan consistent with the City's General Plan, pursuant to San Francisco Charter § 4:105 and the eight priorities of the Planning Code Section 101.1(b). A discussion of the overall consistency of the Mid-Market Redevelopment Plan with General Plan goals, objectives, and policies is included as Attachment 4 to the case report for this item and is incorporated by reference herein as Appendix F.

Although development envisioned within the Mid-Market Project Area would be consistent with the overall General Plan vision, the Zoning Map will govern use, height and bulk, and special use district boundaries in the area. Thus, conforming amendments to the Zoning Map would be required in order for development to proceed in the area consistent with the Mid-Market Redevelopment Plan. The City Attorney's Office has reviewed the draft ordinance amending the Zoning Map and approved it as to form.

On April 14, 2005, by Motion No. 16985, the Planning Commission initiated the above referenced Zoning Map amendments and, pursuant to Planning Code Section 306.3, authorized the Department to provide appropriate notice for a public hearing to consider these amendments to be considered at a publicly noticed hearing on June 2, 2005, which was continued by the Commission to June 23, 2005. On June 23, 2005, the Planning Commission adopted a motion to make revisions to the Zoning Map necessary to implement the proposed Mid-Market Special Use District pursuant to the Mid-Market Redevelopment Plan.

XII. CONSULTATIONS WITH THE PROJECT AREA COMMITTEE AND COMMUNITY

Section 33352(i) of the CRL requires that the Agency's Report on the Redevelopment Plan contain the summary referred to in Section 33387. Section 33387 of the CRL refers to the consultations with the PAC, if any.

In 1995, the Board of Supervisors initiated the Mid-Market redevelopment planning process at the request of area stakeholders. A Preliminary Plan for Mid-Market was adopted by the Planning Commission in 1996, and was followed by the Mid-Market Concept Plan in 1998, which set forth a community-based vision for the revitalization of the Survey Area. Starting in 1998, the Agency and the Project Area Committee (PAC) further defined the scope of the proposed Redevelopment Plan and established an independent redevelopment program. The PAC and Agency staff established goals, objectives, projects and programs through intensive community outreach efforts. The "Mid-Market Community Caucus Series" in 2001 provided public and community input on the proposed goals and objectives of the Redevelopment Plan. In early 2004, recommendations for the Plan and SUD were submitted to the Agency and the Planning Department and subsequently refined through dialogue between City staff and the PAC.

In addition to the public participation provided through the PAC process, the Agency and the Board of Supervisors will also consult and obtain the advice of property owners and occupants on the adoption of the Redevelopment Plan at public hearings. Public workshops on the Redevelopment Plan were held at the Agency Commission meetings on August 17, 2004, and May 3, 2005. Per CRL Section 33349, the Agency will send a first class mailing containing the required notice of public hearings to the last known assessee (the "property owner") of each parcel of land and to all tenants and business owners (occupants) within the Project Area. This notice explains the purpose of the joint public hearings and contains other pertinent information such as the meeting dates, times and locations. The notice of joint public hearings is also scheduled to be published in the San Francisco Chronicle for four (4) consecutive weeks in compliance with the CRL. A complete list of community consultations is provided in Appendix G.

XIII. THE REPORT REQUIRED BY SECTION 21151 OF THE PUBLIC RESOURCES CODE (ENVIRONMENTAL IMPACT REPORT)

A. BACKGROUND

Section 33352 (k) of the CRL requires that the Agency's Report on the Redevelopment Plan contain the report required by Section 21151 of the Public Resources Code (environmental compliance document).

On September 18, 2003, the Planning Commission and the Agency Commission, at a duly noticed joint public hearing, considered the certification of the Final EIR (SCH No. 2001082084), which consisted of the draft EIR, the Draft Summary of Comments and Responses, and related documents. By Motion No. 153-2003, the Agency Commission certified the Final Environmental Impact Report for the proposed Mid-Market Redevelopment Plan as accurate, complete, and in compliance with the California Environmental Quality Act (CEQA). See Appendix H.

On June 23, 2005, by Motion No. 17050, the Planning Commission adopted findings that various actions related to the adoption of the proposed Mid-Market Redevelopment Plan were in compliance with CEQA. The CEQA findings included rejection of project alternatives, adoption of mitigation measures, and approval of a statement of overriding considerations in regard to significant unavoidable impacts. The environmental impact report and associated findings and are incorporated herein by reference. The following is a general summary of the environmental impact report findings and is not intended to summarize all findings, conclusions and mitigation measures presented in the above referenced documents.

B. SUMMARY OF IMPACTS

The proposed Mid-Market Plan would foster a mix of development and rehabilitation activities in the Project Area, emphasizing residential, non-profit community-serving organizations, arts and culture, as well as office, retail, hotel and parking uses in the downtown area of San Francisco. The build-out of such uses would generally reflect current land use controls as well as overall growth projections for San Francisco. The analysis of the potential environmental impacts concluded that implementation of the Plan would create limited significant physical environmental effects.

As noted below, environmental impacts on cultural resources, transportation, visual quality, noise and hazardous materials were analyzed and to be adversely affected by the Project to the degree that mitigation measures have been identified. Even with

mitigation measures, unavoidable significant adverse effects could impact historic architectural resources, MUNI ridership capacity, and traffic impacts to the intersection at Fifth and Mission Streets and Sixth and Brannan Streets.

1. **Historic Resources:** The Mid-Market Plan may result in demolition of some structures potentially eligible for listing as historic resources, which could be a significant impact that could not be mitigated.
2. **Transportation:** MUNI would exceed capacity through the Mission Street corridor and other adjacent corridors. This would be considered a significant adverse effect of the Mid-Market Plan. Cumulative development beyond that projected with the Mid-Market Plan would result in peak-hour Level of Service E at the Sixth/Harrison and Fifth/Mission Street intersections. Level of Service (LOS) ratings range from A (least congested) to F (most congested), and a changed from D or better to E or F is considered a significant impact. Even with mitigation measures, this cumulative significant effect may not be avoidable.
3. **Land Use:** Implementation of the Mid-Market Plan would intensify activities and residential and employee population in the Project Area. Such land use changes would be considered a beneficial impact.
4. **Population, Employment and Housing:** The implementation of the Redevelopment Plan is estimated to create 5,400 jobs in the Project Area through 2020. This represents approximately 4 percent of the jobs estimated to be generated in San Francisco during this period. Thus, the Project Area would not generate substantial growth or concentration of employment that would have an adverse affect on the environment. During the same period, 3,200 housing units are estimated to be constructed in the Project Area, which is a relatively large share of the growth projected for San Francisco, but still not considered significant in the overall context of the City.
5. **Urban Design and Visual Quality:** Mid-Market is proposed for inclusion in a Special Use District that would include land use and design controls to maintain and enhance the visual character of the Project Area.
6. **Shadow and Wind:** New development would be subject to Planning Code requirements, including shadow studies to determine potential effects on open space and sidewalks, to avoid substantial adverse shadow effects on open space in the Project Area and vicinity. In developed areas, buildings that are about 100 feet or more in height can redirect wind flows around buildings and divert winds downward to street level, which can result increased wind speed and turbulence at street level. Because the building design and appropriate review process for a

specific project would require a wind analysis and would address any hazardous wind effects, no significant impact would be expected to occur with implementation of the Mid-Market Redevelopment Plan.

7. **Cultural Resources:** Projects implemented under the Redevelopment Plan would be subject to archaeological archival studies and appropriate testing, monitoring or recovery requirements that would avoid significant adverse impacts on sub-surface cultural resources. Three opportunity sites contain buildings identified as potential historic structures. As noted above, if a historic structure were demolished or substantially altered, then this would be a significant environmental impact.
8. **Air Quality:** No significant impacts are identified for air quality.
9. **Noise Impacts:** Future increases in noise resulting from construction and new development are not considered to be significant adverse impacts.
10. **Hazardous Materials:** Although the risk of discharge can never be completely eliminated, any future production or generation of hazardous materials would not be expected to create a public health or environmental hazard if adequate safety precautions are employed.
11. **Geology:** The Project Area is already a developed urban area, and probable future renovation or replacement of existing structures would not change the geological, soil, or seismic environment of the area.
12. **Public Services and Utilities:** All service and utility providers have adequate capacity to accommodate implementation of the Redevelopment Plan.

XIV. NEIGHBORHOOD IMPACT REPORT

Section 33352(m) of the CRL requires that the Agency's Report on the Redevelopment Plan contain a neighborhood impact report if the redevelopment project contains low or moderate-income housing. The purpose of the neighborhood impact report is to describe in detail the impact of the proposed actions upon the residents of the project area and surrounding areas in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population and quality of education, property assessments and taxes, and other matters affecting the physical and social quality of the neighborhood.

A. IMPACT ON RESIDENTS IN THE PROJECT AREA AND SURROUNDING AREAS

1. Relocation

The Project Area contains residential dwelling units, many of which are assumed to be occupied by low- or moderate-income persons or families. Any non-voluntary or voluntary displacement that occurs as a result of Agency-assisted redevelopment activities will be mitigated by relocation assistance including financial payments, advisory assistance, and assistance required by the replacement housing plan provisions of state law.

Displacement and relocation resulting from redevelopment activity are generally dependent upon the following factors:

- Market demand for various types of development;
- Availability of funds to finance redevelopment activities; and
- An agency's ability to meet applicable relocation and housing replacement requirements under the CRL for low- and moderate-income families.

Residents will not be displaced unless and until there are suitable relocation facilities available for occupancy at rents or costs comparable to those paid at the time of displacement. The Agency will assist residents in finding housing that is decent, safe and sanitary and within their financial means, in reasonably convenient locations and otherwise suitable to their needs.

2. Traffic Circulation

The transportation analysis analyzed 19 intersections serving the Project Area. Under future cumulative conditions (2020), service at the intersections of Sixth and Brannan Streets and Fifth and Mission Streets would deteriorate. The Mid-Market project would result in significant environmental impacts at these two intersections.

Development under the Mid-Market Plan would generate approximately 4,450 weekday afternoon and evening peak-hour transit trips. These transit trips would be spread over 36 MUNI bus lines, BART, Sam Trans, Caltrain, AC Transit, and Golden Gate Transit. MUNI would exceed capacity through the Mission Street corridor and other adjacent corridors. This would be considered a significant adverse environmental impact. For 2020 conditions, all carriers except BART would operate with sufficient capacity to accommodate demand. BART to the East Bay would operate between 129 and 135 percent of load standard.

Although a shortfall in parking is projected, the Project Area would be expected to provide sufficient parking spaces on-street and off-street in the evenings and weekends, and there would be opportunities for shared parking available for residential uses. Therefore future parking impacts are not anticipated to be significant.

3. Environmental Quality

Opportunity sites 1, 2 and 4 identified in the Final Environmental Impact Report include structures that appear to be potential historic resources. Unless further review found that the structures did not meet criteria for eligibility as historic resources, demolition of any of those structures would be a significant environmental impact of the Mid-Market Redevelopment Plan.

With increased transit trips ridership, on the Mission Street corridor of MUNI would be at above 100 percent of capacity. This would be a significant impact.

4. Community Facilities and Services

The implementation of the Mid-Market Plan would be projected to result in a population of approximately 9,700 at the projected 2020 build-out of the Project Area. This would be approximately 6,600 more residents than are currently living in the area, and about 5,500 more than would live in the area without implementation of the Redevelopment Plan. Although there would be a population increase, it would not be significant in the context of the overall City.

The physical improvement to the environment could help lessen illegal activities in the Project Area, which would have a beneficial effect on police services. Due to evolving stricter Building and Fire Codes, new construction that would be facilitated by the project implementation would be to higher standards than existing buildings. Finally, implementation of the Redevelopment Plan would help lessen drug-related problems on the streets in the Project Area, and the need for emergency medical services would be expected to be reduced.

5. School Population and Quality of Education

The San Francisco Unified School District (SFUSD) is currently not a growth district, and there are facilities throughout the City and County that are underused. There are no plans to construct new schools in or near the Project Area in the near future unless SFUSD identifies a need.

6. Property Assessment and Taxes

The proposed Plan adoption will not cause the property taxes paid by owners to increase. In general, taxable valuations of property within and adjoining the Project Area should increase as development of that property occurs. New development within the Project Area will be assessed at market value, as determined by the assessor. Regardless of whether property is in the Project Area or not, the assessor may increase property valuations for existing properties at the maximum rate of two percent per year allowed under Proposition 13. In cases where property changes hands, the assessor will reassess the added value to property and improvements due to any new development or rehabilitation which occurs.

B. RELOCATION AND LOW- AND MODERATE-INCOME HOUSING

1. Housing Units to be Destroyed or Removed

Implementation of the proposed Redevelopment Plan may result in Agency acquisition of property within the Project Area. However, the Agency's eminent domain authority will be subject to the limitations described in Section 4.4.2 of the Redevelopment Plan. In general, the proposed Mid-Market Redevelopment Plan is designed to encourage new development and rehabilitation to address the existing conditions in the Project Area. This includes economic development strategies and activities that would retain existing businesses and housing, and attract new businesses and housing to the area. The Mid-Market Plan would increase total housing by an estimated 2,800,000 square feet or 3,200 dwelling units. The projected dwellings include 865 studios, 1,040 one-bedroom units, 1,000 two-bedroom units, and 300 three-bedroom units. This increase in units would replace any units lost to demolition.

Should future Agency activities result in the removal of dwelling units occupied by person or families of low and moderate incomes from voluntary acquisition or through eminent domain, the Agency will be required to construct, develop or rehabilitate, or cause the construction, development or rehabilitation of, low- and moderate-income dwelling units equal in number to those destroyed or removed. These "replacement housing units" must be constructed within four years of their destruction or removal, must be of the same size (number of bedrooms) or larger³⁵ and must be available at affordable housing cost to, and occupied by, persons in the same or a lower income category (very low, low or moderate) as the persons displaced from those destroyed or removed units. The units must remain affordable for the longest feasible time, but not less than 55 years for rental units and 45 years for owner-occupied units as set forth in the CRL Section 33334.3.

In addition, the Section 4.10.5 of the proposed Redevelopment Plan obligates the Agency to preserve the number of affordable housing units (approximately 1,221) that exist in the Project Area at the time of plan adoption. Every five years, during the preparation of an implementation plan, the Agency will determine the difference, if any, in the number of affordable units in the Project Area at the time of plan adoption and the current number of affordable units for the purpose of establishing an additional goal for the production of affordable units.

³⁵ The Agency has the option of creating fewer units but with an equal number of bedrooms. For example, if the Agency destroys three one-bedroom apartments it has the option of creating one three-bedroom unit as an equivalent replacement unit.

2. Projected Residential Displacement

Should future displacement be contemplated by the Agency, the Agency will conduct individual household surveys to determine the exact number and type of units to be displaced, and location of comparable replacement housing units and the required number of referrals thereto prior to displacement of any person of low or moderate income.

3. Number and Location of Replacement Housing Units

In total, the Agency has identified 24 "Potential Development Opportunity Sites," as discussed in the Final Environmental Impact Report. The Potential Development Opportunity Sites were identified as desired locations for future development, but there are no specific plans for development by the Agency. However, there are residential units on sites identified as Opportunity Sites, including 377 units at Trinity Plaza. The owner of Trinity Plaza is contemplating redevelopment of the site with higher density residential development. The owner has not asked for Agency assistance. Unless Agency assistance is provided, Agency participation in relocation is not required. In addition, the Trinity Plaza site is not included in the proposed Mid-Market Special Use District and is anticipated to be governed by a development agreement with the City.

If the Agency does assist in development that would result in removal of units, the Board of Supervisors and the Agency will make findings necessary to provide replacement housing. Generally, the Agency and developer enter into a disposition and development agreement, owner participation agreement, or other agreement requiring the developer to provide relocation benefits. If the Agency undertakes any activities requiring or causing the destruction or removal of housing units from the low- and moderate-income housing market, the Agency will provide replacement housing pursuant to Section 33413 of the CRL and develop a replacement housing plan pursuant to Section 33413.5.

4. Number and Location of Low- and Moderate-Income Housing Units Planned Other than Replacement Housing

Approximately 55 percent of the total new development in the area is expected to include affordable and market rate housing, while 11 percent of the rehabilitated building space is expected to include affordable and market rate housing. As described above, new housing projected includes 865 studios, 1,040 on-bedroom units, 1,000 two-bedroom units and 300 three bedroom units. In total 3,200 units would be constructed by 2020, increasing the existing housing by about 200

percent from the current 1,600 housing units in the Project Area. At least 15 percent of the new housing would be affordable.

5. Financing Method for Replacement Housing Requirements

The Agency is not obligated to provide replacement housing for projects developed solely by the private sector. If the Agency were to provide financial assistance to a project that resulted in the removal of housing units, the Agency will employ, as necessary, the method outlined in this Report to meet replacement housing requirements and other obligations under the Community Redevelopment Law. As discussed in this Report, not less than 20 percent of all taxes which may be allocated to the Agency pursuant to Section 33670 of Article 4 of the CRL shall be used by the Agency for purposes of increasing, improving, preserving the supply of low- and moderate-income housing available at affordable housing cost to persons and families of low or moderate income and very low-income households. This source of funding is expected to be utilized for replacement housing should the Agency be required to create such housing. Over the term of the Redevelopment Plan, the Agency shall use no less than 50 percent of the total tax increment funds that the Mayor and Board allocate to the Agency for its Mid-Market redevelopment activities for the purposes of increasing, improving, and preserving the City's supply of housing for persons and families of extremely low, very low, low or moderate income.

6. Timetable for Provision of Relocation Housing

Replacement housing has not been identified as a specific project to implement the Redevelopment Plan. However, if replacement housing were necessary, the Agency would provide replacement housing pursuant to Section 33413 of the CRL. This would include taking the necessary steps to cause the construction, rehabilitation or development of such housing in accordance with the time limits prescribed by law.

The relocation plan(s) prepared by the Agency for a particular development activity shall contain schedules to insure comparable replacement housing is available in accordance with the requirements of the CRL and the State Relocation Guidelines.

C. OTHER MATTERS AFFECTING THE PHYSICAL AND SOCIAL QUALITY OF THE ENVIRONMENT

The proposed Mid-Market Plan is designed to encourage and assist in the development of a more land-use intensive mixed-use district than currently exists,

with a special emphasis on increasing the ratio of residential development to other land uses; expanding existing arts, cultural and entertainment activities; aiding existing businesses and attracting new commercial development; and rehabilitating existing commercial and residential space in historic buildings. In addition, the Mid-Market Plan calls for the development and rehabilitation of affordable housing units and affordable community-service office space.

To support the Project Area's growth in residential population, businesses, and employees, and to serve citywide and regional needs, the Mid-Market Plan proposes additional facilities to house civic, social and cultural services and activities and public capital improvements with an emphasis on upgrading public streetscapes and transit facilities. The Mid-Market Plan also proposes creating a shared community parking system and removing minimum on-site parking requirements. A limited number of shared, short term public parking facilities is proposed in strategic locations within the Project Area.

XV. ANALYSIS OF THE FISCAL OFFICER'S REPORT AND SUMMARY OF CONSULTATIONS WITH AFFECTED TAXING AGENCIES

Pursuant to Section 33352(n) of the CRL, the Report on the Redevelopment Plan must include an analysis of the Fiscal Officer's Report, and must include a summary of consultations of the Agency, or attempts to consult by the Agency, with each of the affected taxing agencies. If any of the affected taxing agencies have expressed written objections with the proposed Redevelopment Plan as part of these consultations, the Agency shall include a response to these objections, additional information, if any, and, at the discretion of the Agency, proposed or adopted mitigation measures.

A. THE REPORT OF THE COUNTY FISCAL OFFICER AND ANALYSIS THEREOF

The Agency began the process for studying the feasibility of adopting a redevelopment plan for the Mid-Market area in 1995. In 1998, a Project Area Committee was formed and an in-depth community planning process began, which continued into 2005.

The Agency recently notified the County Fiscal Officer of a change in the proposed base year for the Project Area as well as Project Area boundary revisions. The Board of Supervisors is expected to hold hearings on the Plan in late 2005 or early 2006. Therefore, the following analysis of the Fiscal Officer's Report is based upon the 2005-06 base year and the Fiscal Officer's Report prepared by the Office of the Controller, City and County of San Francisco, which was transmitted to the Agency and all affected taxing entities on August 5, 2005 and is included as Appendix I.

As defined in Section 33328 of the CRL, the base year report shall include the following:

- (a) The total assessed valuation of all taxable property within the project area as shown on the base year assessment roll.
- (b) The identifications of each taxing agency levying taxes in the project area.
- (c) The amount of tax revenue to be derived by each taxing agency from the base year assessment roll from the project area, including state subventions for homeowners, business inventory, and similar subventions.
- (d) For each taxing agency, its total ad valorem tax revenues from all property within its boundaries, whether inside or outside the project area.
- (e) The estimated first year taxes available to the redevelopment agency, if any, based upon information submitted by the redevelopment agency broken down by taxing agencies.

(f) The assessed valuation of the project area for the preceding year, or, if requested by the redevelopment agency for the preceding five years, except for state assessed property of the board roll.

Appendix I to this Report is the County Fiscal Officer's 2005-06 base year report. The following analyzes the various CRL-required components of the report.

1. Total Assessed Valuation

The total assessed 2005-06 base year value for the Project Area is \$621,105,853. This includes \$598,446,116 in secured property value and \$22,659,737 in unsecured value (personal property). There was no value for utilities.

2. Identification of Affected Taxing Agencies

There are six affected taxing agencies including:

- City and County of San Francisco
- San Francisco Community College District Fund
- San Francisco Unified School District (SFUSD) General Fund
- Bay Area Air Quality Management District
- Bay Area Rapid Transit District General Fund
- Educational Revenue Augmentation Fund (ERAF)

3. Amount of Taxes Derived by the Taxing Agencies From the Project Area

As shown in Figure 22, the City and County of San Francisco will receive 67 percent of the taxes from the Project Area, which is the largest proportion. The next largest recipient of revenues will be ERAF, which is not a taxing agency but a special tax that the City must contribute to the State's budget. The next largest share of the increment, totaling eight percent, goes to the SFUSD General Fund. The remaining taxing agencies would receive a very small portion of less than two percent.

Figure 22: 2005-06 Base Year, Amount of Taxes Derived by the Taxing Agencies from the Project Area

TAXING AGENCY	SECURED BASE YEAR REVENUES	UNSECURED BASE YEAR REVENUES	DEBT SERVICE (see detail below)	TOTAL REVENUE	PERCENT OF PROJECT AREA REVENUE
City and County of San Francisco	\$3,871,081 ^{36[1]}	\$146,576 ^{37[2]}	747,979	\$4,765,636	67%
San Francisco Community College District Fund	86,441	3,273	27,495	117,209	2%
San Francisco Unified School District General Fund	460,735	17,445	66,256	544,436	8%
Bay Area Air Quality Management District	12,480	473	0	12,953	Less than 1%
Bay Area Rapid Transit District General Fund	37,853	1,433	28,725	68,011	1%
Educational Revenue Augmentation Fund	1,515,871	57,397	0	1,573,268	22%
TOTAL GENERATED	\$5,984,461	\$226,597	870,445	\$7,081,513	100%
DEBT SERVICE					
City and County of San Francisco	\$718,887	\$29,092	747,979		
San Francisco Unified School District	65,364	892	66,256		
San Francisco Community College	24,849	2,646	27,495		
Bay Area Rapid Transit District	28,725	0	28,725		
TOTAL DEBT SERVICE	\$837,825	\$32,630	870,455		
TOTAL TAX REVENUE	\$6,822,286	\$259,227			

4. Total Amount of Taxes to Be Derived by the Taxing Agencies Inside and Outside of the Project Area

As shown in the Figure 23, the revenues projected to be generated from the Project Area represent less than one percent (0.6 percent) of the total revenues collected by each of the taxing agencies. The respective taxing entities will continue to receive these base year property tax revenues over the life of the Plan, in addition to statutory pass through allocations required under CRL Section 33607.5.

^{36[1]} This secured revenue amount includes \$478,757 for the Special Revenue Funds of the City and County of San Francisco

^{37[2]} This unsecured revenue amount includes \$18,128 for the Special Revenue Funds of the City and County of San Francisco.

Figure 23: 2005-06 Base Year, Total Amount of Taxes to be Derived by the Taxing Agencies

TAXING AGENCY		
	Total Property Tax Revenues	% of Project Area Revenues of Total Revenue Received
City/County SF	\$812,874,274	0.6%
SF Community Coll.	\$20,228,015	0.6%
SF Unified School	\$92,608,978	0.6%
Bay Area Air Quality	\$2,208,581	0.6%
Bay Area Rapid Transit	\$11,422,418	0.6%
ERAF Fund	\$268,264,400	0.6%
TOTAL	\$1,207,626,666	0.6%

5. Estimated First Year Taxes to be Derived from the Project Area Available to the Redevelopment Agency by Taxing Agency

The total estimated value of tax increment in the first year that the Agency will collect tax increment (fiscal year 2006-07) is \$181,000. This is based upon the tax increment projections shown in this Report. It is anticipated that of this \$181,000, \$36,000 will be for statutory pass throughs to the taxing entities and \$36,000 will be deposited into the Agency's Affordable Housing Fund. The remaining \$109,000 will be the Agency's net tax increment revenue.

6. The Assessed Valuation of the Project Area from the Preceding Year.

The assessed valuation of the Project Area for fiscal year 2004-05 was \$623,120,309 compared to \$621,105,853 in 2005-06. The three percent difference is attributed to the overall decrease in total unsecured valuations (personal property) during the same period. In 2004-05, the unsecured valuations were \$33,477,619; these declined to \$22,659,737 in 2005-06 (a 32 percent decrease).

B. SUMMARY OF CONSULTATION WITH AFFECTED TAXING ENTITIES

Section 33328.3 of the CRL requires that if an agency proposes to adopt a redevelopment plan, the redevelopment agency shall notify the county officials by transmitting to them, the legislative or governing bodies of the taxing agencies, and to the State Board of Equalization, the information required by Section 33327³⁸ indicating the proposed Project Area boundaries. On December 9, 2004, the Agency transmitted the Preliminary Report to the County officials and taxing agencies utilizing the 2004-05 base year. On July 11, 2005, the Agency notified the State Board of Equalization, County taxing officials and affected taxing agencies of a change in the proposed base year to 2005-06. As a result of a reduction in base year values from 2004-05 to 2005-06, the Agency will transmit a revised Preliminary Report with an updated financial analysis based upon the 2005-06 base year. The Preliminary Report will be transmitted with the Report on the Redevelopment Plan, which included an analysis of the effect of the change in base year from 2004-05 to 2005-06. To date, the Agency has not received any comments from county taxing officials or taxing agencies on the proposed Redevelopment Plan adoption. A complete discussion of the Agency's attempts to consult with the affected taxing agencies is provided in Appendix J. The taxing agencies will have another opportunity to comment on the proposed Redevelopment Plan at or prior to the public hearings of the Agency Commission and Board of Supervisors. Notice of these hearings will be sent certified mail to County officials and affected taxing agencies at least 30 days prior to the hearing of the Agency Commission and the Board of Supervisors.

³⁸ General Fund of the City and County of San Francisco

³⁸ Special Revenue Funds of the City and County of San Francisco

³⁸ General Obligation Debt Service of the City and County of San Francisco

³⁸ The information required by 33327 includes: (1) a description of the boundaries of the project area; (2) a statement that a plan for the redevelopment of the area is being prepared; and (3) a map indicating the boundaries of the project area.

XVI. SUPPLEMENTARY REPORT

The original Preliminary Report (Original Report) was transmitted to the affected taxing agencies on December 9, 2004. The Original Report assumed a 2004-05 base year; however, the Agency was not able to achieve this base year and now proposes a 2005-06 base year. In accordance with CRL Section 33328.5, the Agency notified the county officials, taxing agencies and State Board of Equalization of the change in the proposed base year. In response, the County Auditor prepared a revised base year report, which was transmitted to the Agency on August 5, 2005. The base value of the Project Area in 2004-05 was \$623,120,309. The total assessed value of the Project Area in 2005-06 is \$621,105,853. Because the base year value declined from 2004-05 to 2005-06 (by \$2,014,453 or three percent), in accordance with CRL Section 33328.5(d), the Agency revised the financial feasibility analysis contained in the Preliminary Report, which will be re-transmitted to the entities identified above.

In accordance with CRL Section 33328.5(c), the Agency has incorporated the information required in this Supplementary Report, which will be transmitted to the affected taxing entities at least 14 days prior the public hearing of the Redevelopment Plan by the Board of Supervisors. The analysis below analyzes the effect of the change in base year assessment roll from 2004-05 to 2005-06 on Subdivisions (b), (e), and (n) of the Report on the Redevelopment Plan, as identified in the CRL. Subdivision (b) is a description of physical and economic conditions in the Project Area that causes the Project Area to be blighted (Section IV – Adverse Physical Conditions and Section V – Adverse Economic Conditions). Subdivision (e) is the proposed method of financing the Project Area (Section VII – Proposed Method of Financing and Feasibility) and Subdivision (n) is the analysis of the base year report and summary of consultations with affected taxing agencies (Section XV – Analysis of the Fiscal Officer's Report and Summary of Consultations with Affected Taxing Agencies and Section XVI – Supplementary Report).

A. EFFECT OF THE CHANGE IN BASE YEAR ON BLIGHTING CONDITIONS

CRL Section 33352 (b), the description of physical and economic blight within the Project Area, will not be affected as a result of the change in base year from 2004-05 to 2005-06, since the elimination of blighting conditions will occur through the implementation of projects and programs, which will remain as described in Section VI of this Report. In fact, although the base year value has decreased, the projected tax increment has increased due to two anticipated substantial developments (1160 Mission and Trinity Plaza) in the near-term. The developments were anticipated in the original Preliminary Report, but will begin construction sooner than anticipated. This will have the effect of increasing the amount of the increments to the Agency in excess of any decrease that would result from the reduced base year value. Also, the tax increment projection is a long-term (45 years) projection and given the expected fluctuation in the economy, a three percent change in base year value may not result in a measurable

change over the life of the Plan. Also, it is likely that any minor shortfall in revenues can be provided by other revenue sources outlined within this Report.

B. EFFECT OF THE CHANGE IN BASE YEAR ON THE PROPOSED METHOD OF FINANCING

For the reasons stated above, CRL Section 33352 (e), the method of financing and economic feasibility of the proposed Plan will not be negatively affected as a result of the change in base year from 2004-05 to 2005-06. As previously discussed above, there is an anticipated increase in tax increment resulting from the accelerated development of two major projects that will more than compensate for any initial reduction in tax increment resulting from a lower base year value. The financing for specific short-term projects, namely infrastructure improvements, will not change as a result of the new base year. Any potential impacts would be to budget projections for discretionary programs such as implementation planning.

C. EFFECT OF THE CHANGE IN BASE YEAR ON THE ANALYSIS OF THE BASE YEAR REPORT AND SUMMARY OF CONSULTATIONS WITH AFFECTED TAXING AGENCIES

The analysis of the Fiscal Officer's Report for the 2005-06 base year as required by CRL Section 33352(n) was previously discussed in Section XV of this Report. The following analysis primarily addresses the effects of the change in base year from 2004-05 to 2005-06 on the Fiscal Officer's Report and impacts upon the affected taxing entities, and any additional consultations that have taken place as a result of the change in base year.

1. Effect of the Change in Base Year on the Analysis of the Base Year Report

This analysis corresponds to the components of the Fiscal Officer's Report as required by CRL Section 33328.

a. Total Assessed Valuation

The total assessed 2005-06 base year value for the Project Area is \$621,105,853 compared to \$623,120,309 in 2004-05, which is an overall decrease of three percent. Although the secured assessed valuation increased from \$598,446,116 in 2005-06 compared to \$589,642,690 in 2004-05 (1.5 percent increase), the primary reason for the overall decrease in total assessed valuation is the decrease in unsecured valuations (personal property) during the same period. In 2004-05, the unsecured valuations were \$33,477,619 and declined to \$22,659,737 in 2005-06 (32 percent decrease).

b. Identification of Affected Taxing Agencies

The Fiscal Officer's Report prepared for the 2005-06 base year identified the same six taxing agencies receiving ad valorem property tax revenues from the Project Area as the previously prepared 2004-05 Fiscal Officer's Report. The six affected taxing agencies are:

- City and County of San Francisco
- San Francisco Community College District Fund
- San Francisco Unified School District (SFUSD) General Fund
- Bay Area Air Quality Management District
- Bay Area Rapid Transit District General Fund
- Educational Revenue Augmentation Fund (ERAF)

c. Amount of Taxes Derived by the Taxing Agencies from the Project Area

Based upon the information contained within the 2005-06 Fiscal Officer's Report, there is a change in the percentage distribution of the one percent tax levy revenue to be generated from 2004-05 to 2005-06 for total secured and unsecured base year value totals. As shown in Figure 24, the amount of property tax revenue distributed to the taxing entities for the Project Area from 2004-05 to 2005-06 decreased by \$34,596 or less than one percent of the total revenues in 2004-05. Similarly, the distribution percentages from 2004-05 to 2005-06 for each of the affected taxing entities changed slightly except for the City and County of San Francisco and ERAF. As shown below, the amount of revenues as a percentage of the total property tax revenue in the Project Area for the City and County of San Francisco has decreased from 76 percent to 67 percent from 2004-05 to 2005-06, which amounts to a decrease of \$661,065. The primary reason for this decrease is a shift of City and County of San Francisco property tax revenue to ERAF. The total revenues for ERAF have increased from 14 percent to 22 percent during the same period. ERAF is not a taxing entity, but a special tax that the City and County must contribute to the State's budget. However, even with the decrease in property tax revenue of \$661,065 to the City and County of San Francisco based upon the 2004-05 and 2005-06 Fiscal Officer's Reports, the impact will be minimal because this decrease only represents eight-tenths of one percent (0.08 percent) of the total revenues received by this entity in 2005-06 (received \$812,874,274).

Based upon the changes to the remaining affected taxing entities distribution of property taxes as shown in the Figure 24 below, the effect of the change in base year is minimal. The respective taxing entities will continue to receive these base year property tax

revenues over the life of the Plan, in addition to statutory pass through allocations required under CRL Section 33607.5.

Figure 24: Effect of the Change in Base Year on Amount of Taxes Derived by the Taxing Agencies from the Project Area

TAXING AGENCY	2004-05 Base Year		2005-06 Base Year	
	Property Tax Revenues from Project Area	% of Total Revenues from Project Area	Property Tax Revenues from Project Area	% of Total Revenues from Project Area
City/County SF	\$5,426,701	76%	\$4,765,636	67%
SF Community Coll.	\$158,847	2%	\$117,209	2%
SFUSD	\$502,993	7%	\$544,436	8%
Bay Area Air Quality	\$12,994	Less than 1%	\$12,953	Less Than 1%
Bay Area Rapid Transit	\$39,415	Less than 1%	\$68,011	1%
ERAF	\$975,159	14%	\$1,573,268	22%
PROJECT AREA TOTAL	\$7,116,109		\$7,081,513	

d. **Total Amount of Taxes to Be Derived by the Taxing Agencies Inside and Outside of the Project Area**

As shown in Figure 25 below, the revenues proposed to be generated from the Project Area represents less that one percent (0.6 percent) of the total revenues collected by each of the taxing agencies for both the 2004-05 and 2005-06 Fiscal Officer's Report. Therefore, the effect in change of base year will have no impact on each of the taxing entities as the Project Area's revenues as a percentage of the total revenues remain the same. The respective taxing entities will continue to receive the base year property tax revenues over the life of the Plan, in addition to statutory pass through allocations required under CRL Section 33607.5.

Figure 25: Effect on the Change in Base Year on Total Amount of Taxes to Be Derived by the Taxing Agency

TAXING AGENCY	2004-05 Base Year		2005-06 Base Year	
	Total Property Tax Revenues	% of Project Area Revenues of Total Revenue Received	Total Property Tax Revenues	% of Project Area Revenues of Total Revenue Received
City/County SF	\$868,445,761	0.6%	\$812,874,274	0.6%
SF Community Coll.	\$25,228,517	0.6%	\$20,228,015	0.6%
SFUSD	\$80,416,868	0.6%	\$92,608,978	0.6%
Bay Area Air Quality	\$2,079,059	0.6%	\$2,208,581	0.6%
Bay Area Rapid Transit	\$6,306,078	0.6%	\$11,422,418	0.6%
ERAF	\$155,503,014	0.6%	\$268,264,400	0.6%
TOTAL	\$1,137,979,297	0.6%	\$1,207,626,666	0.6%

e. **Estimated First Year Taxes to be Derived from the Project Area Available to the Redevelopment Agency by Taxing Agency**

Based upon the information contained within the 2004-05 and 2005-06 Fiscal Officer's Reports, the estimated first year taxes available to the Agency are zero dollars. However, based upon the Agency's tax increment projections using the 2005-06 Fiscal Officer's Report, the total estimated value of tax increment revenues received during the first year that the Agency will collect tax increment (fiscal year 2006-07) is \$181,000, based upon the information contained in Section VII of this Report. Comparatively, based upon the information provided in the 2004-05 Fiscal Officer's Report, the total estimated value of tax increment received during the first year that the Agency will collect tax increment (fiscal year 2006-07) is estimated at \$203,000 or 12 percent higher than the 2005-06 base year. Although a 12 percent increase can be considered significant, the total difference of \$21,000 is considered insignificant; therefore, the effect in the change in base year on the estimated value of tax increment during the first year of the Plan is minimal.

f. The Assessed Valuation of the Project Area from the Preceding Year

The assessed valuation of the Project Area for fiscal year 2004-05 was \$623,120,309. This is \$2,014,456 (or 3 percent) greater than the assessed value for fiscal year 2005-06. This three percent difference in total assessed valuation is primarily attributed to the decrease in unsecured valuations (personal property) during the same period. The assessed valuation for 2003-04 (the preceding year for 2004-05 base year) was \$601,138,982, which amounts to approximately a three percent increase from 2003-04 to 2004-05 and 2005-06.

g. Effect on the Summary of Consultations with Affected Taxing Agencies

As of the preparation of this Report, no additional consultations have taken place regarding the change in base year valuation. Discussions of all consultations with affected taxing entities are included in the analysis of the 2005-06 Fiscal Officer's Report described in Section XV of this Report.

CONTENTS
ORIGINAL ARTICLES
The Effect of the Diet on the Blood Sugar in the Normal Adult Male
The Effect of the Diet on the Blood Sugar in the Normal Adult Male
The Effect of the Diet on the Blood Sugar in the Normal Adult Male
The Effect of the Diet on the Blood Sugar in the Normal Adult Male
The Effect of the Diet on the Blood Sugar in the Normal Adult Male

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The Effect of the Diet on the Blood Sugar in the Normal Adult Male
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The Effect of the Diet on the Blood Sugar in the Normal Adult Male
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The Effect of the Diet on the Blood Sugar in the Normal Adult Male
The Effect of the Diet on the Blood Sugar in the Normal Adult Male
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The Effect of the Diet on the Blood Sugar in the Normal Adult Male
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The Effect of the Diet on the Blood Sugar in the Normal Adult Male
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The Effect of the Diet on the Blood Sugar in the Normal Adult Male
The Effect of the Diet on the Blood Sugar in the Normal Adult Male
The Effect of the Diet on the Blood Sugar in the Normal Adult Male
The Effect of the Diet on the Blood Sugar in the Normal Adult Male
The Effect of the Diet on the Blood Sugar in the Normal Adult Male

Appendices

Appendix A: Legal Description of the Project Area

The boundaries of the Mid-Market Redevelopment Project Area are described as follows:

Beginning at the point of intersection of the northeasterly line of Cyril Magnin Street with the northwesterly line of Market Street, said point being in Assessor's Block 0341; thence southeasterly across Market Street (120 feet in width) to the point of intersection of the northeasterly line of Fifth Street (82 feet 6 inches in width) with the southeasterly line of Market Street, last said point being the most westerly corner of Assessor's Block 3705; thence southeasterly along said northeasterly line of Fifth Street and its southeasterly prolongation a distance of 792 feet 6 inches, more or less, to a point in the southwesterly prolongation of the northwesterly line of Minna Street (40 feet wide) in Assessor's Block 3724; thence southwesterly along said southwesterly prolongation and along the northwesterly line of Minna Street a distance of 782 feet 10 inches, more or less, to a point in a line that is parallel with and distant 125 feet northeasterly, measured at right angles, from the northeasterly line of Sixth Street, last said point being in Assessor's Block 3725; thence northwesterly along last said parallel line a distance of 80 feet to a point; thence southwesterly at right angles to last described course a distance of 50 feet to a point in a line that is parallel with and distant 75 feet northeasterly, measured at right angles, from said northeasterly line of Sixth Street; thence northwesterly along last said parallel line a distance of 437 feet 6 inches, more or less, to a point in Assessor's Block 3704; thence northeasterly at right angles to last described course a distance of 3.0 feet to a point; thence northwesterly at right angles to last described course a distance of 105 feet to a point in the northwesterly line of Stevenson Street; thence southwesterly along last said line of Stevenson Street and its southwesterly prolongation a distance of 285 feet 6 inches, more or less, to a point in a line that is parallel with and distant 125 feet southwesterly, measured at right angles, from the southwesterly line of Sixth Street, last said point being in Assessor's Block 3703; thence southeasterly along last said parallel line a distance of 110 feet; thence northeasterly at right angles to the last described course a distance of 45 feet to a point in a line that is parallel with and distant 80 feet southwesterly, measured at right angles, from said southwesterly line of Sixth Street; thence southeasterly along last said parallel line a distance of 115 feet, more or less, to a point in the southeasterly line of Jessie Street; thence southwesterly along said line of Jessie Street a distance of 50 feet to a point in a line that is parallel with and distant 130 feet southwesterly, measured at right angles, from said southwesterly line of Sixth Street; thence southeasterly, along last said parallel line a distance of 242 feet 6 inches, more or less, to a point in said southeasterly line of Mission Street, last said point being in Assessor's Block 3726; thence southwesterly along last said line of Mission Street and its southwesterly prolongation a distance of 695 feet, more or less, to a point in the northeasterly line of Seventh Street (82 feet 6 inches in width); thence northwesterly along last said line of Seventh Street and its northwesterly prolongation a distance of 467 feet 6 inches, more or less, to a point in the northwesterly line of Stevenson Street, last said point being in Assessor's Block 3703; thence southwesterly along said line of Stevenson Street and its southwesterly prolongation to a point in a line that is parallel with and distant 375 feet southwesterly, measured at right angles from the southwesterly line of Seventh Street, last said point being in Assessor's Block 3702; thence southeasterly along last said parallel line a distance of 467 feet 6 inches, more or less, to a point

in said southeasterly line of Mission Street, last said point being in the northwesterly line of Assessor's Block 3727; thence northeasterly along last said line of Mission Street a distance of 375 feet, more or less, to a point in the southwesterly line of Seventh Street; thence southeasterly along last said line of Seventh Street a distance of 160 feet, more or less, to a point in the northwesterly line of Minna Street (35 feet wide); thence southwesterly along last said line of Minna Street a distance of 125 feet to a point; thence northwesterly at right angles 75 feet to a point; thence southwesterly at right angles 50 feet to a point; thence southeasterly at right angles 75 feet to a point in said northwesterly line of Minna Street; thence southwesterly along last said line of Minna Street a distance of 100 feet to a point; thence northwesterly at right angles a distance of 75 feet to a point; thence southwesterly at right angles 25 feet to a point; thence southeasterly at right angles 75 feet to a point in said northwesterly line of Minna Street; thence southwesterly along last said line of Minna Street and its southwesterly prolongation, a distance of 320 feet, more or less, to a point in said northwesterly line of Minna Street; thence northwesterly at right angles a distance of 80 feet to a point; thence southwesterly at right angles a distance of 40 feet to a point; thence southeasterly at right angles a distance of 80 feet to a point in said northwesterly line of Minna Street; thence southwesterly along last said line a distance of 40 feet to a point; thence northwesterly at right angles a distance of 80 feet to a point; thence southwesterly at right angles a distance of 60 feet to a point; thence northwesterly at right angles a distance of 40 feet to a point in a line that is parallel with and distant 40 feet southeasterly, measured at right angles, from said southeasterly line of Mission Street; thence southwesterly along last said parallel line a distance of 147 feet 6 inches to a point in the southwesterly line of Eighth Street (82 feet 6 inches wide), last said point being in the northeasterly line of Assessor's Block 3728; thence southeasterly along said southwesterly line of Eighth Street a distance of 40 feet to a point; thence southwesterly at right angles a distance of 80 feet to a point; thence southeasterly at right angles a distance of 80 feet to a point in the northwesterly line of Minna Street; thence southwesterly along last said line of Minna Street, a distance of 314 feet 5 inches, more or less, to a point in a line that is parallel with and distant 155 feet northeasterly, measured at right angles, from the northeasterly line of Ninth Street; thence northwesterly along last said parallel line a distance of 75 feet to a point; thence southwesterly at right angles a distance of 35 feet to a point; thence southeasterly at right angles a distance of 75 feet to a point in said northwesterly line of Minna Street; thence southwesterly along said line of Minna Street a distance of 30 feet to a point; thence northwesterly at right angles a distance of 80 feet to a point; thence southwesterly at right angles a distance of 20.188 feet to a point; thence southeasterly at right angles a distance of 25 feet to a point in a line that is parallel with and distant 105 feet southeasterly, measured at right angles, from the southeasterly line of Mission Street; thence southwesterly along last said parallel line a distance of 152 feet 4 inches, more or less, to a point in the southwesterly line of Ninth Street, being in Assessor's Block 3509; thence northwesterly along said line of Ninth Street a distance of 23.75 feet to a point; thence southwesterly at right angles a distance of 113.333 feet to a point in the northeasterly line of Washburn Street (35 feet wide); thence southeasterly along last said northeasterly line a distance of 18.75 feet, more or less, to a point in a line that is parallel with and distant 100 feet southeasterly, measured at right angles, from the southeasterly line of Mission Street; thence southwesterly along last said parallel line a distance of 148.333 feet, more or less, to a point in the northeasterly line of Grace Street (35

feet wide); thence northeasterly along last said line of Grace Street a distance of 25 feet to a point in a line that is parallel with and distant 125 feet southeasterly, measured at right angles, from said southeasterly line of Mission Street; thence southwesterly along last said parallel line a distance of 195.833 feet, more or less, to a point in the southwesterly line of Tenth Street, last said point being in Assessor's Block 3510; thence northwesterly along last said line of Tenth Street a distance of 30 feet to a point; thence southwesterly 112 feet to a point; thence northwesterly 102 feet, measured at right angles, to the southeasterly line of Mission Street; thence southwesterly along last said line of Mission Street a distance of 41.625 feet to a point; thence northwesterly at right angles a distance of 335 feet to a point in Assessor's Block 3507; thence southwesterly at right angles a distance of 26.5 feet to a point in a line that is parallel with and distant 180.25 feet southwesterly, measured at right angles, from the southwesterly line of Tenth Street; thence northwesterly along last said parallel line a distance of 56.333 feet to a point; thence southwesterly at right angles a distance of 10 feet to a point in a line that is parallel with and distant 190.125 feet southwesterly, measured at right angles, from said southwesterly line of Tenth Street; thence northwesterly along last said parallel line a distance of 364.5 feet, more or less, to a point in the northwesterly line of Market Street (120 feet wide), last said point being in the southeasterly line of Assessor's Block 835; thence northeasterly along last said line of Market Street to the point of intersection with the southerly prolongation of the westerly line of Larkin Street (68 feet 9 inches wide), as last said southerly prolongation is projected southerly from Assessor's Block 0812; thence northerly along last said prolongation and the westerly line of Larkin Street to the point of intersection with the westerly prolongation of the northerly line of Grove Street (68 feet 9 inches wide), as last said westerly prolongation is projected westerly from Assessor's Block 0354; thence easterly along last said prolongation and the northerly line of Grove Street a distance of 571.921 feet, more or less, to a point in the northwesterly line of Market Street (120 feet wide), last said point being in the most southerly line of Assessor's Block 0351; thence northeasterly along said northwesterly line of Market Street to the point of intersection with the westerly line of Jones Street, as last said point is situated in the easterly line of Assessor's Block 0351; thence northerly along last said line of Jones Street and its northerly prolongation a distance of 416 feet 11 inches, more or less, to a point in the northerly line of Golden Gate Avenue, last said point being the southeast corner of Assessor's Block 0344; thence easterly along said northerly line of Golden Gate Avenue and its easterly prolongation a distance of 481 feet 3 inches, more or less, to a point in the westerly line of Taylor Street, last said point being the southeast corner of Assessor's Block 0343; thence northerly along last said line of Taylor Street and its northerly prolongation a distance of 343 feet 9 inches, more or less, to a point in the northerly line of Turk Street, last said point being the southeast corner of Assessor's Block 0339; thence easterly along said northerly line of Turk Street and its easterly prolongation a distance of 481 feet 3 inches, more or less, to a point in the westerly line of Mason Street, last said point being the southeast corner of Assessor's Block 0340; thence northerly along last said line of Mason Street a distance of 343 feet 9 inches, more or less, to the northerly line of Eddy Street, last said point being the southeast corner of Assessor's Block 0331; thence easterly along last said northerly line of Eddy Street and its easterly prolongation to the point of intersection with the northwesterly prolongation of the northeasterly line of Cyril Magnin Street, as last said northeasterly line is delineated on the Assessor's plat of Assessor's Block 0341; thence southeasterly along last said prolongation and

along last said line of Cyril Magnin Street to the point of intersection with said northwesterly line of Market Street, last said point being the Point of Beginning.

Appendix B: Sources

1. Newspaper Articles

Amanda Bishop, "Mid-Market turns to skid market", San Francisco Business Times, April 9, 2001.

David R. Baker, "S.F. Eviction Fighters Given Boot Themselves. Skyrocketing rents forcing out nonprofits", San Francisco Chronicle, July 28, 2000.

Kathleen Sullivan, "New effort to prevent hotel fires. Proposed law would require sprinklers." San Francisco Chronicle, June 12, 2001.

Kathleen Sullivan, "Fire victims put up in worst hotels. Red Cross, S.F. putting up fire victims at worst hotels. Filthy conditions in residential units." San Francisco Chronicle, May 12, 2001.

Kathleen Sullivan, "S.F. Plans Head Count Inside It's Squalid Hotels. Unknown number of resident families." San Francisco Chronicle, February 16, 2001.

Kathleen Sullivan, "'Horrible' Hotel Amid a City of Shiny New Wealth. Family finds itself surrounded by filth." San Francisco Chronicle, January 19, 2001.

Emily Gurnon, "Skid row dweller kicked out after story." San Francisco Examiner, December 30, 1999.

Emily Gurnon, "This is My Home." San Francisco Examiner, December 26, 1999.

"The Worst Residential Hotels in San Francisco." San Francisco Examiner, December 3, 1999.

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John Wildermuth, "Mission, SoMa, Tenderloin Safety Checks. Spate of tenant-hotel blazes prompts inspections." San Francisco Chronicle, April 28, 1999.

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1. The first part of the report discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the transparency and accountability of the organization. This section also outlines the various methods used to collect and analyze data, ensuring that the information is reliable and valid.

2. The second part of the report provides a detailed overview of the current state of the organization's financial health. It includes a comprehensive analysis of the budget, highlighting areas of both strength and weakness. The report also identifies key trends and patterns in the data, which are crucial for understanding the overall performance of the organization.

3. The third part of the report focuses on the implementation of the proposed changes. It details the steps that have been taken to ensure a smooth transition and the challenges that have been encountered. This section also includes a timeline of the project, showing the progress made to date and the expected completion date.

4. The fourth part of the report discusses the future outlook for the organization. It outlines the goals and objectives for the next year, as well as the strategies that will be used to achieve them. This section also includes a risk assessment, identifying potential threats to the organization's success and the measures that will be taken to mitigate them.

5. The final part of the report provides a summary of the findings and conclusions. It reiterates the importance of maintaining accurate records and the need for continuous improvement. The report also includes a list of recommendations for the future, based on the findings of the analysis.

Appendix C: 2005-06 Tax Increment Projections

- Table I: Mid-Market Projections of Tax Increment
- Table II: Mid-Market Projections of Sources and Uses of Funds Related to Affordable Housing Program
- Table III: Mid-Market Projections of Sources and Uses of Funds Related to Non-Housing Program

Table I
San Francisco Redevelopment Agency
Mid Market Projections of Tax Increment
(Thousands of Dollars)

A	B	C	D	E	F	G	H	I	J	K
3		Base Yr	1	2	3	4	5	6	7	8
4		2006	2007	2008	2009	2010	2011	2012	2013	2014
5			3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
6		598,292	616,241	634,728	653,770	673,383	693,585	714,392	735,824	757,899
7			0	74,667	181,091	326,607	432,772	541,028	600,848	669,032
8		598,292	616,241	709,395	834,861	999,990	1,126,357	1,255,420	1,336,672	1,426,930
10		22,660	22,660	22,660	22,660	22,660	22,660	22,660	22,660	22,660
11		620,952	638,901	732,055	857,521	1,022,649	1,149,016	1,278,079	1,359,332	1,449,590
24										
25		0	181	1,122	2,366	4,017	5,281	6,571	7,384	8,286
26		0	0	0	0	0	0	0	0	0
27		0	181	1,122	2,366	4,017	5,281	6,571	7,384	8,286
28		0	36	224	473	803	1,056	1,314	1,477	1,657
29		0	145	898	1,893	3,214	4,225	5,257	5,907	6,629
30		0	36	224	473	803	1,056	1,314	1,477	1,657
31		0	109	673	1,419	2,410	3,168	3,943	4,430	4,972
32			36	224	473	803	1,056	1,314	1,477	1,657
33			73	449	946	1,607	2,112	2,629	2,954	3,315
34										
35			73	449	946	1,607	2,112	2,629	2,954	3,315
36										

Table I
San Francisco Redevelopment Agency
Mid Market Projections of Tax Increment
(Thousands of Dollars)

	A	B	L	M	N	O	P	Q	R	S	T
3			9	10	11	12	13	14	15	16	17
4	FY Ended June 30>		2015	2016	2017	2018	2019	2020	2021	2022	2023
5	Assessed Values:		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
6	Existing Real Property	3.0%	780,636	804,055	828,176	853,021	878,612	904,971	932,120	960,083	988,886
7	New development	2.0%	747,422	822,721	888,175	905,939	924,058	942,539	961,389	980,617	1,000,230
8	Subtotal: Real Property		1,528,058	1,626,775	1,716,351	1,758,960	1,802,670	1,847,509	1,893,509	1,940,700	1,989,115
10	Personal Property	0.0%	22,660	22,660	22,660	22,660	22,660	22,660	22,660	22,660	22,660
11	Total Assessed Value		1,550,718	1,649,435	1,739,011	1,781,620	1,825,329	1,870,169	1,916,169	1,963,360	2,011,775
24	Tax Increment Revenue:										
25	Secured Property		9,298	10,285	11,181	11,607	12,044	12,492	12,952	13,424	13,908
26	Unsecured Property		0	0	0	0	0	0	0	0	0
27	Gross Tax Increment Revenue		9,298	10,285	11,181	11,607	12,044	12,492	12,952	13,424	13,908
28	Less: Statutory Pass-Thrus		1,860	2,057	2,236	2,321	2,409	2,498	2,590	2,685	2,782
29	Tax Increment Available to Agcy		7,438	8,228	8,944	9,285	9,635	9,994	10,362	10,739	11,127
30	Less: State Mandated Housing Set-Aside	20%	1,860	2,057	2,236	2,321	2,409	2,498	2,590	2,685	2,782
31	Agcy Tax Inc. Less HSG Set-Aside		5,579	6,171	6,708	6,964	7,226	7,495	7,771	8,054	8,345
32	Applied to Additional Housing	33%	1,860	2,057	2,236	2,321	2,409	2,498	2,590	2,685	2,782
33	Applied to Non-Housing		3,719	4,114	4,472	4,643	4,818	4,997	5,181	5,370	5,563
34											
35	Total Tax Increment Applied to Housing	R30+R32	3,719	4,114	4,472	4,643	4,818	4,997	5,181	5,370	5,563
36											

Table I

San Francisco Redevelopment Agency
Mid Market Projections of Tax Increment
(Thousands of Dollars)

	A	B	U	V	W	X	Y	Z	AA	AB	AC
3			18	19	20	21	22	23	24	25	26
4	FY Ended June 30>		2024	2025	2026	2027	2028	2029	2030	2031	2032
5	Assessed Values:		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
6	Existing Real Property	3.0%	1,018,552	1,049,109	1,080,582	1,113,000	1,146,390	1,180,781	1,216,205	1,252,691	1,290,272
7	New development	2.0%	1,020,234	1,040,639	1,061,452	1,082,681	1,104,334	1,126,421	1,148,949	1,171,928	1,195,367
8	Subtotal: Real Property		2,038,786	2,089,748	2,142,034	2,195,680	2,250,724	2,307,202	2,365,154	2,424,619	2,485,639
10	Personal Property	0.0%	22,660	22,660	22,660	22,660	22,660	22,660	22,660	22,660	22,660
11	Total Assessed Value		2,061,446	2,112,407	2,164,693	2,218,340	2,273,384	2,329,862	2,387,814	2,447,279	2,508,298
24	Tax Increment Revenue:										
25	Secured Property		14,405	14,915	15,437	15,974	16,524	17,089	17,669	18,263	18,873
26	Unsecured Property		0	0	0	0	0	0	0	0	0
27	Gross Tax Increment Revenue		14,405	14,915	15,437	15,974	16,524	17,089	17,669	18,263	18,873
28	Less: Statutory Pass-Thrus		2,881	2,983	3,087	3,195	3,305	3,418	3,534	3,653	3,775
29	Tax Increment Available to Agcy		11,524	11,932	12,350	12,779	13,219	13,671	14,135	14,611	15,099
30	Less: State Mandated Housing Set-Aside	20%	2,881	2,983	3,087	3,195	3,305	3,418	3,534	3,653	3,775
31	Agcy Tax Inc. Less HSG Set-Aside		8,643	8,949	9,262	9,584	9,915	10,253	10,601	10,958	11,324
32	Applied to Additional Housing	33%	2,881	2,983	3,087	3,195	3,305	3,418	3,534	3,653	3,775
33	Applied to Non-Housing		5,762	5,966	6,175	6,390	6,610	6,836	7,067	7,305	7,549
34											
35	Total Tax Increment Applied to Housing	R30+R32	5,762	5,966	6,175	6,390	6,610	6,836	7,067	7,305	7,549
36											

Table I

San Francisco Redevelopment Agency
Mid Market Projections of Tax Increment
(Thousands of Dollars)

	A	B	AD	AE	AF	AG	AH	AI	AJ	AK	AL
3			27	28	29	30	31	32	33	34	35
4	FY Ended June 30>		2033	2034	2035	2036	2037	2038	2039	2040	2041
5	Assessed Values:		3.0%	3.0%	3.0%	Plan Expires					
6	Existing Real Property	3.0%	1,328,980	1,368,849	1,409,915	1,452,212	1,495,778	1,540,652	1,586,871	1,634,477	1,683,512
7	New development	2.0%	1,219,274	1,243,660	1,268,533	1,293,904	1,319,782	1,346,177	1,373,101	1,400,563	1,428,574
8	Subtotal: Real Property		2,548,254	2,612,509	2,678,448	2,746,116	2,815,560	2,886,829	2,959,972	3,035,040	3,112,086
10	Personal Property	0.0%	22,660	22,660	22,660	22,660	22,660	22,660	22,660	22,660	22,660
11	Total Assessed Value		2,570,914	2,635,169	2,701,107	2,768,775	2,838,220	2,909,489	2,982,632	3,057,700	3,134,746
24	Tax Increment Revenue:										
25	Secured Property		19,500	20,142	20,802	21,478	22,173	22,885	23,617	24,367	25,138
26	Unsecured Property		0	0	0	0	0	0	0	0	0
27	Gross Tax Increment Revenue		19,500	20,142	20,802	21,478	22,173	22,885	23,617	24,367	25,138
28	Less: Statutory Pass-Thrus		3,900	4,028	4,160	4,296	4,435	4,577	4,723	4,873	5,028
29	Tax Increment Available to Agcy		15,600	16,114	16,641	17,183	17,738	18,308	18,893	19,494	20,110
30	Less: State Mandated Housing Set-Aside	20%	3,900	4,028	4,160	4,296	4,435	4,577	4,723	4,873	5,028
31	Agcy Tax Inc. Less HSG Set-Aside		11,700	12,085	12,481	12,887	13,304	13,731	14,170	14,620	15,083
32	Applied to Additional Housing	33%	3,900	4,028	4,160	4,296	4,435	4,577	4,723	4,873	5,028
33	Applied to Non-Housing		7,800	8,057	8,321	8,591	8,869	9,154	9,447	9,747	10,055
34											
35	Total Tax Increment Applied to Housing	R30+R32	7,800	8,057	8,321	8,591	8,869	9,154	9,447	9,747	10,055
36											

Table I
San Francisco Redevelopment Agency
Mid Market Projections of Tax Increment
(Thousands of Dollars)

	A	B	AM	AN	AO	AP	AQ	AR	AS	AT	AU
3			36	37	38	39	40	41	42	43	44
4	FY Ended June 30>		2042	2043	2044	2045	2046	2047	2048	2049	2050
5	Assessed Values:										
6	Existing Real Property	3.0%	1,734,017	1,786,038	1,839,619	1,894,807	1,951,651	2,010,201	2,070,507	2,132,622	2,196,601
7	New development	2.0%	1,457,146	1,486,289	1,516,014	1,546,335	1,577,261	1,608,807	1,640,983	1,673,802	1,707,278
8	Subtotal: Real Property		3,191,163	3,272,326	3,355,633	3,441,142	3,528,913	3,619,008	3,711,490	3,806,425	3,903,879
10	Personal Property	0.0%	22,660	22,660	22,660	22,660	22,660	22,660	22,660	22,660	22,660
11	Total Assessed Value		3,213,822	3,294,986	3,378,293	3,463,802	3,551,573	3,641,667	3,734,149	3,829,084	3,926,539
24	Tax Increment Revenue:										
25	Secured Property		25,929	26,740	27,573	28,428	29,306	30,207	31,132	32,081	33,056
26	Unsecured Property		0	0	0	0	0	0	0	0	0
27	Gross Tax Increment Revenue		25,929	26,740	27,573	28,428	29,306	30,207	31,132	32,081	33,056
28	Less: Statutory Pass-Thrus		5,186	5,348	5,515	5,686	5,861	6,041	6,226	6,416	6,611
29	Tax Increment Available to Agcy		20,743	21,392	22,059	22,743	23,445	24,166	24,906	25,665	26,445
30	Less: State Mandated Housing Set-Aside	20%	5,186	5,348	5,515	5,686	5,861	6,041	6,226	6,416	6,611
31	Agcy Tax Inc. Less HSG Set-Aside		15,557	16,044	16,544	17,057	17,584	18,124	18,679	19,249	19,834
32	Applied to Additional Housing	33%	5,186	5,348	5,515	5,686	5,861	6,041	6,226	6,416	6,611
33	Applied to Non-Housing		10,371	10,696	11,029	11,371	11,722	12,083	12,453	12,833	13,222
34											
35	Total Tax Increment Applied to Housing	R30+R32	10,371	10,696	11,029	11,371	11,722	12,083	12,453	12,833	13,222
36											

Table I

San Francisco Redevelopment Agency
Mid Market Projections of Tax Increment
(Thousands of Dollars)

	A	B	AV	AW	AX	AY	AZ
3			45	Totals	Totals	Share of Agency Tax Inc.	
4	FY Ended June 30>		2051	30Yrs	45Yrs	30Yrs	45Yrs
5	Assessed Values:						
6	Existing Real Property	3.0%	2,262,499				
7	New development	2.0%	1,741,424				
8	Subtotal: Real Property		4,003,923				
10	Personal Property		22,660				
11	Total Assessed Value	0.0%	4,026,583				
24	Tax Increment Revenue:						
25	Secured Property		34,056				
26	Unsecured Property		0				
27	Gross Tax Increment Revenue		34,056	373,470	790,160		
28	Less: Statutory Pass-Thrus		6,811	74,694	158,032		
29	Tax Increment Available to Agency		27,245	298,776	632,128		
30	Less: State Mandated Housing Set-Aside	20%	6,811	74,694	158,032	25%	25%
31	Agency Tax Inc. Less HSG Set-Aside		20,434	224,082	474,096	75%	75%
32	Applied to Additional Housing	33%	6,811	74,694	158,032	25%	25%
33	Applied to Non-Housing		13,623	149,388	316,064	50%	50%
34							
35	Total Tax Increment Applied to Housing	R30+R32	13,623	149,388	316,064	50%	50%
36							

Table II

Mid Market Projections of Sources and Uses of Funds Assuming 50% of T. I. Used for Low/Mod Housing Program
(Thousands of Dollars)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
2														
3	FY Ended June 30>		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
4	Sources of Funds													
5	Net Tax Increment		73	449	946	1,607	2,112	2,629	2,954	3,315	3,719	4,114	4,472	4,643
6	Bond Proceeds		-	4,593	-	-	-	-	25,627	-	-	-	-	17,283
7	Total Sources		73	5,041	946	1,607	2,112	2,629	28,581	3,315	3,719	4,114	4,472	21,926
8														
9	Uses of Funds													
10	Low/Mod Hsg Program by Source of Funding:													
11	Pay-as-you-Tax Inc.		65	45	493	1,087	1,542	2,007	295	620	984	1,340	1,662	464
12	Bond Proceeds			4,593					25,627					17,283
13	Agcy Admin Costs		7	45	95	161	211	263	295	331	372	411	447	464
14	Debt Service	4.5%	0	359	359	359	359	359	2,363	2,363	2,363	2,363	2,363	3,714
15	City & County of S.F.													
16	Total Uses		73	5,041	946	1,607	2,112	2,629	28,581	3,315	3,719	4,114	4,472	21,926
17	Sources less Uses		0	0	0	0	0	0	0	0	0	0	0	0
18														
19	(1) Net of AB1290 payments.													
20														

Table II

Mid Market Projections of Sources and Uses of Funds Assuming 50% of T. I. Used for Low/Mod Housing Program
(Thousands of Dollars)

	A	B	O	P	Q	R	S	T	U	V	W	X	Y	Z
2														
3	FY Ended June 30>		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
4	Sources of Funds													
5	Net Tax Increment		4,818	4,997	5,181	5,370	5,563	5,762	5,966	6,175	6,390	6,610	6,836	7,067
6	Bond Proceeds		-	-	-	-	-	9,780	-	-	-	-	-	5,325
7	Total Sources		4,818	4,997	5,181	5,370	5,563	15,542	5,966	6,175	6,390	6,610	6,836	12,392
8														
9	Uses of Funds													
10	Low/Mod Hsg Program by Source of Funding:													
11	Pay-as-you-Tax Inc.		622	783	949	1,119	1,293	685	868	1,056	1,249	1,448	1,651	1,379
12	Bond Proceeds					-		9,780						5,325
13	Agcy Admin Costs		482	500	518	537	556	576	597	617	639	661	684	707
14	Debt Service	4.5%	3,714	3,714	3,714	3,714	3,714	4,501	4,501	4,501	4,501	4,501	4,501	4,982
15	City & County of S.F.													
16	Total Uses		4,818	4,997	5,181	5,370	5,563	15,542	5,966	6,175	6,390	6,610	6,836	12,392
17	Sources less Uses		0	0	0	0	0	0	0	0	0	0	0	0
18														
19	(1) Net of AB1290 payments.													
20														

Table II

Mid Market Projections of Sources and Uses of Funds Assuming 50% of T. I. Used for Low/Mod Housing Program
(Thousands of Dollars)

	A	B	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL
2														
3	FY Ended June 30>		2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
4	Sources of Funds													
5	Net Tax Increment		7,305	7,549	7,800	8,057	8,321	8,591	8,869	9,154	9,447	9,747	10,055	10,371
6	Bond Proceeds		-	-	-	-	-	-	0	0	0	0	0	0
7	Total Sources		7,305	7,549	7,800	8,057	8,321	8,591	8,869	9,154	9,447	9,747	10,055	10,371
8														
9	Uses of Funds													
10	Low/Mod Hsg Program by Source of Funding:								Agency is entitled to receive solely tax increment to					
11	Pay-as-you-Tax Inc.		1,593	1,812	2,038	2,269	2,507	2,750	pay debt outstanding after plan expiration date					
12	Bond Proceeds		-	-	-	-	-	-	date, assumed to occur in year 2036.					
13	Agcy Admin Costs		731	755	780	806	832	859						
14	Debt Service	4.5%	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,623	4,623	4,623	4,623	4,623
15	City & County of S.F.								3,887	4,531	4,824	5,124	5,432	5,749
16	Total Uses		7,305	7,549	7,800	8,057	8,321	8,591	8,869	9,154	9,447	9,747	10,055	10,371
17	Sources less Uses		0	0	0	0	0	0	0	0	0	0	0	0
18														
19	(1) Net of AB1290 payments.													
20														

Table II
Mid Market Projections of Sources and Uses of Funds Assuming 50% of T. I. Used for Low/Mod Housing Program
(Thousands of Dollars)

	A	B	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW
2												Totals	Totals
3	FY Ended June 30>		2043	2044	2045	2046	2047	2048	2049	2050	2051	30Yrs	45Yrs
4	Sources of Funds												
5	Net Tax Increment		10,696	11,029	11,371	11,722	12,083	12,453	12,833	13,222	13,623	149,388	316,064
6	Bond Proceeds		0	0	0	0	0	0	0	0	0	62,607	62,607
7	Total Sources		10,696	11,029	11,371	11,722	12,083	12,453	12,833	13,222	13,623	211,995	378,671
8													
9	Uses of Funds												
10	Low/Mod Hsg Program by Source of Funding:												
11	Pay-as-you-Tax Inc.											36,674	36,674
12	Bond Proceeds											62,607	62,607
13	Agcy Admin Costs											14,939	14,939
14	Debt Service	4.5%	2,619	2,619	2,619	2,619	2,619	1,268	1,268	1,268	1,268	97,775	144,039
15	City & County of S.F.		8,077	8,410	8,752	9,103	9,464	11,185	11,565	11,954	12,355	0	120,412
16	Total Uses		10,696	11,029	11,371	11,722	12,083	12,453	12,833	13,222	13,623	211,995	378,671
17	Sources less Uses		0	0	0	0	0	0	0	0	0	0	0
18													
19	(1) Net of AB1290 payments.												
20													

Table III
Mid Market Projections of Sources and Uses of Funds Related to Non-Housing
Work Program Activities
(Thousands of Dollars)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
2														
3	FY Ended June 30>		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
4	Sources of Funds													
5	Net Tax Increment (1)		73	449	946	1,607	2,112	2,629	2,954	3,315	3,719	4,114	4,472	4,643
6	Bond Proceeds		0	3,837	0	0	0	0	25,549	0	0	0	0	17,196
7	Total Sources		73	4,286	946	1,607	2,112	2,629	28,502	3,315	3,719	4,114	4,472	21,839
8														
9	Uses of Funds													
10	Work Program Activities:													
11	Pay-as-you-Tax Inc.		0	-	397	924	1,417	1,920	234	582	972	1,352	1,695	505
12	Bond Proceeds			3,837	-	-	-	-	25,549	-	-	-	-	17,196
13	Community Outreach		58	59	60	61	63	64	65	67	68	69	71	72
14	Agcy Admin Costs	3.5%	15	90	189	321	333	344	356	369	382	395	409	423
15	Debt Service	4.5%	0	300	300	300	300	300	2,298	2,298	2,298	2,298	2,298	3,642
16	City & County of S.F.													
17	Total Uses		73	4,286	946	1,607	2,112	2,629	28,502	3,315	3,719	4,114	4,472	21,839
18	Sources less Uses		0	0	0	0	0	0	0	0	0	0	0	0
19														
20	(1) Net of AB1290 payments.													
21														

Table III
Mid Market Projections of Sources and Uses of Funds Related to Non-Housing
Work Program Activities
(Thousands of Dollars)

A	B	O	P	Q	R	S	T	U	V	W	X	Y	Z
2													
3	FY Ended June 30>		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
4	Sources of Funds												
5	Net Tax Increment (1)		4,818	4,997	5,181	5,370	5,563	5,762	5,966	6,175	6,390	6,610	6,836
6	Bond Proceeds		0	0	0	0	0	9,693	0	0	0	0	0
7	Total Sources		4,818	4,997	5,181	5,370	5,563	15,455	5,966	6,175	6,390	6,610	6,836
8													
9	Uses of Funds												
10	Work Program Activities:												
11	Pay-as-you-Tax Inc.		526	688	855	1026	1,201	632	816	1,005	1,198	1,397	1,600
12	Bond Proceeds		-	-	-	-	-	9,693	-	-	-	-	-
13	Community Outreach		73	75	76	78	79	81	83	84	86	88	90
14	Agcy Admin Costs	3.5%	438	453	469	486	503	520	538	557	577	597	618
15	Debt Service	4.5%	3,781	3,781	3,781	3,781	3,781	4,529	4,529	4,529	4,529	4,529	4,529
16	City & County of S.F.												
17	Total Uses		4,818	4,997	5,181	5,370	5,563	15,455	5,966	6,175	6,390	6,610	6,836
18	Sources less Uses		0	0	0	0	0	0	0	0	0	0	0
19													
20	(1) Net of AB1290 payments.												
21													

Table III
Mid Market Projections of Sources and Uses of Funds Related to Non-Housing
Work Program Activities
(Thousands of Dollars)

A	B	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL
2							Expires >						
3	FY Ended June 30>	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
4	Sources of Funds												
5	Net Tax Increment (I)	7,305	7,549	7,800	8,057	8,321	8,591	8,869	9,154	9,447	9,747	10,055	10,371
6	Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	0
7	Total Sources	7,305	7,549	7,800	8,057	8,321	8,591	8,869	9,154	9,447	9,747	10,055	10,371
8													
9	Uses of Funds							Additional tax increment (T.I.) revenues NOT available					
10	Work Program Activities:							to Project after 2036 because of expiration of Plan.					
11	Pay-as-you-Tax Inc.	240	459	683	914	1,150	1,392	T.I. funds flow to the city's general fund, except for					
12	Bond Proceeds	-	-	-	-	-	-	funds needed to pay debt service on debt outstanding					
13	Community Outreach	93	95	97	99	101	103	prior to expiration of Plan.					
14	Agcy Admin Costs	662	685	709	734	759	786						
15	Debt Service	6,311	6,311	6,311	6,311	6,311	6,311	6,311	6,011	6,011	6,011	6,011	6,011
16	City & County of S.F.							2,558	3,144	3,436	3,736	4,045	4,361
17	Total Uses	7,305	7,549	7,800	8,057	8,321	8,591	8,869	9,154	9,447	9,747	10,055	10,371
18	Sources less Uses	0	0	0	0	0	0	0	0	0	0	0	0
19													
20	(I) Net of AB1290 payments.												
21													

Table III
Mid Market Projections of Sources and Uses of Funds Related to Non-Housing
Work Program Activities
(Thousands of Dollars)

A	B	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW
											Totals	Totals
											30Yrs	45Yrs
2												
3		2043	2044	2045	2046	2047	2048	2049	2050	2051		
4												
5	FY Ended June 30>											
6	Sources of Funds											
7	Net Tax Increment (1)	10,696	11,029	11,371	11,722	12,083	12,453	12,833	13,222	13,623	149,388	316,064
8	Bond Proceeds	0	0	0	0	0	0	0	0	0	61,596	61,596
9	Total Sources	10,696	11,029	11,371	11,722	12,083	12,453	12,833	13,222	13,623	210,984	377,660
10	Uses of Funds											
11	Work Program Activities:											
12	Pay-as-you-Tax Inc.											
13	Bond Proceeds	-	-	-	-	-	-	-	-	-	25,805	25,805
14	Community Outreach										61,596	61,596
15	Agcy Admin Costs										2,349	2,349
16	Debt Service	4,013	4,013	4,013	4,013	4,013	2,530	2,530	2,530	2,530	14,356	14,356
17	City & County of S.F.	6,683	7,016	7,358	7,710	8,070	9,923	10,303	10,692	11,093	106,878	173,427
18	Total Uses	10,696	11,029	11,371	11,722	12,083	12,453	12,833	13,222	13,623	0	100,128
19	Sources less Uses	0	0	0	0	0	0	0	0	0	210,984	377,660
20	(1) Net of AB1290 payments.											
21												

Mid-Market Redevelopment Project Area Five-Year Implementation Plan

A. Introduction

Purpose

The Five-Year Implementation Plan for the proposed Mid-Market Redevelopment Project (Implementation Plan) is an important component of the Report on the Redevelopment Plan. The Implementation Plan covers the five-year period from July 1, 2006 to June 30, 2011 (fiscal years 2006/07 through 2010/11) although it should be noted that the Agency will only begin receiving tax increment in the second year of this period (fiscal year 2007/2008).

Sections 33490 and 33352(c) of the CRL require that a redevelopment agency adopting or amending a redevelopment plan prepare and adopt a five-year implementation plan for the redevelopment project area. The Implementation Plan supplements the description of the overall redevelopment program in Chapter VI, Redevelopment Program Description. The purpose of the Implementation Plan is to describe:

- the specific goals and objectives of an agency for a project area;
- the specific projects proposed by the agency, including a program of both non-housing and affordable housing actions and expenditures proposed to be made within the first five years of the plan; and
- how the agency's proposed objectives, projects and expenditures will help to eliminate blight in the project area (as described in Section 33031) and implement the affordable housing requirements (as described in Sections 33334.2, 33334.4, 33334.6 and 33413).

In addition, the affordable housing component of the Implementation Plan provides a mechanism for the Agency to monitor its progress in meeting its affordable housing obligations under the CRL. This plan also includes the Agency's Affordable Housing Production Plan, also known as the AB 315 Plan, as required by Section 33413 of the CRL. The Affordable Housing Production Plan covers the first five-year period from July 1, 2007 to June 30, 2012, the ten-year period through June 30, 2017, and a third period from July 1, 2017 to the end of the Redevelopment Plan term.

This Implementation Plan provides general guidance for the implementation of the Mid-Market Redevelopment Program. As unforeseen constraints and opportunities will most likely arise while undertaking this program, the Agency will use this Implementation Plan as a flexible guide. Because implementation plans are intended to be program level documents, the implementation of specific projects and activities over the five-year period may vary in timing, location, cost, expenditure, scope, and content from what is set forth in this document.

Section B of this Implementation Plan contains a description of the financing assumptions and implementation strategy. Section C provides a project description. Section D lays out the non-housing activities proposed for the first five years of the redevelopment program and Section E

lays out the housing activities. Section F addresses the Agency's Affordable Housing Production Plan.

B. Financing Assumptions and Implementation Strategy

Tax Increment Revenue, Tax Allocation Bonds and Other Sources of Funding

Tax increment revenue available for implementation activities during the early years of the redevelopment program is limited. It is estimated that only approximately \$10,373,000 in net tax increment will be available for housing and non-housing activities during the first five years, and most of this net tax increment will not be available until fiscal year 2010/11. The proposed redevelopment program is intended to take place over the course of 30 years, during which time significant resources will be made available for redevelopment program activities. Because of this, expenditures made during the first five years should contribute to the planning and development of future activities. This Implementation Plan is designed to meet this objective.

Because the anticipated net tax increment revenue in the first five years is limited, the Agency intends to actively pursue issuing tax allocation bonds in order to bolster these funds. The California Community Redevelopment Law does permit the issuance of tax increment allocation bonds by redevelopment agencies that are amortized by available tax increment revenues. Therefore, this Implementation Plan assumes the issuance of bonds during the second year of the implementation plan period to enhance the funding available for the redevelopment program, from approximately \$10,373,000 to approximately \$18,803,000.

During the first five-year implementation period, the Agency will pursue amendments to the Mid-Market Redevelopment Plan and the Yerba Buena Center Redevelopment Plan in order to merge the Mid-Market Redevelopment Project Area fiscally with the Emporium Site Area of the Yerba Buena Center Redevelopment Project Area. Such an amendment will make additional funding available for the Mid-Market Redevelopment Project Area.

In addition, the Agency will seek to utilize other sources of funding for housing and non-housing activities during the first five years, including existing funds currently available for continued planning activities, financial assistance from the city, the state, or the federal government, interest income, donations, loans from private institutions, assessments, or any other available source, public or private. This additional funding will be used to further the goals and objectives of the Redevelopment Plan and bolster the effective use of funds in the first five years.

Implementation Strategy

As illustrated above, the major implementing and financing strategy of the Redevelopment Plan and this Implementation Plan is to leverage public funds (tax-increment or otherwise) and resources, including staffing, against other local, regional, state and federal funds as well as private and non-profit investment.

This collaboration will be particularly important in achieving the necessary goals and objectives related to social needs, public services and public safety, as the Agency may use only funds that are lawfully available for such purposes. The Agency and its resources are not intended to become a substitute for public or private resources that are already mandated to address these specific issues, but, instead, Agency resources must be utilized in a way that is coordinated with

existing resources to maximize the effective use of public funds and to foster holistic community development.

The following categories illustrate the various strategies that the Agency will pursue to implement the Redevelopment Program:

1. Significant and Primary Financial Support by Agency

The Agency takes a significant leadership and financial role in implementing a specific physical project; for example, acquisition of a particular site for development.

2. Supplemental Financial Support through Programs and Partnerships

Programs. The Agency takes a supportive financial role in implementing projects, programs or improvements through creating a specific program where multiple entities can be aided in implementing their own project, program or improvement; for example, a façade improvement program that offers loans or matching grants for façade improvements or an Single Room Occupancy (SRO) rehabilitation loan program that offers loans for improvements to SRO hotels.

Partnerships. The Agency makes a substantial financial commitment in implementing a project or program, but the effort is clearly not led by the Agency, nor is the Agency the sole financial supporter; for example, streetscape improvements coordinated jointly with the Department of Public Works that leverage transportation and/or public improvement funds.

3. Limited and Nominal Financial Support, In-Kind Agency Staffing, and Cooperative and Legislative Efforts

Limited Financial Support. The Agency takes a limited financial role to implement a project or program, and another entity clearly takes the leadership role; for example, seed money for a financial feasibility analysis.

Nominal Support. The Agency takes a leading financial role, but the effort does not require significant financial commitments; for example, funding staffing of the PAC or funding a business assistance provider.

In-Kind Agency Staffing and Cooperative Efforts. The Agency provides in-kind staffing of efforts; for example, coordination of community input. The Agency may also be involved in general cooperative efforts that do not require major financial resources; for example, cooperation agreements between with city departments, grant writing, and the establishment of a working groups between city agencies. Most cooperative efforts will also require a commitment of Agency staffing.

Legislative/Policy Efforts. The Agency works to adopt specific legislation that will aid in implementing a specific project, program or goal; for example, a redevelopment plan amendment or Planning Code amendments such as the Mid-Market SUD. This will also require staffing support.

C. Project Description

Project Area Location and Description

The Project Area is composed of 82.42 acres, generally bounded by Market Street, Fifth Street, Mission Street, and Tenth Street. Four triangular blocks on the north side of Market Street are also in the Project Area. These include blocks at the intersections of Larkin and Grove Streets; Jones and Golden Gate Streets; Turk and Taylor Streets, and Eddy and Mason Streets. Land uses in the Project Area are a mix of primarily retail and office uses, with smaller amounts of industrial and residential uses.

Residential units in the Project Area are predominantly single room occupancy (SRO) units in residential hotels, with a smaller number of apartments and live-work units present. Retail and commercial uses include convenience stores, clothing stores, restaurants, hotels and motels, and several adult-oriented uses (x-rated theaters, x-rated book stores, bars and nightclubs). Office uses are generally located above ground-floor retail uses. Most of the office buildings are considered B- and C-class office structures, with rent rates lower than better quality and/or better located space in the nearby Financial District or South of Market. The majority of the buildings along Mission Street are limited to two to four stories in height. Public and quasi-public uses include a Pacific Gas & Electric (PG&E) substation on Mission Street and Seventh Street, the historic U.S. Post Office and Courts Building at 7th Street and Mission Street, and the Old U.S. Mint Building at Mission Street and Fifth Street, currently slated to become the Museum of the City of San Francisco, complemented by a variety of complementary and public uses.

Redevelopment Project Goals and Objectives

The following redevelopment goals and objectives (excerpted from the Draft Redevelopment Plan) are intended to eliminate physical and economic blighting conditions that interfere with the revitalization of the Project Area.

- Eliminating blighting influences and correcting environmental deficiencies in the Project Area, including, but not limited to, abnormally high vacancies, deficient and unsafe buildings, incompatible land uses, poor economic performance of retail businesses, underutilized and vacant land, high crime rates, and inadequate or deteriorated public improvements, facilities and utilities.
- Providing opportunities for participation by owners in the redevelopment of their properties.
- Assembling a limited amount of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.
- Replanning, redesigning and developing undeveloped and underdeveloped areas that are improperly utilized.
- Providing flexibility in the development of the Project Area to respond readily and appropriately to market conditions.
- Strengthening the community's supply of housing by assisting, to the extent economically feasible, in the construction and rehabilitation of affordable housing with the deepest levels of affordability, including the development of supportive housing for the homeless.
- Strengthening the economic base of the Project Area and the community by strengthening commercial functions in the Project Area.
- Facilitating improvement of safety within the Project Area.

Revitalization Goals and Objectives

In addition, the Redevelopment Plan also has a guiding set of revitalization goals and objectives established in conjunction with the PAC and members of the community at large. The goals set forth the stated objectives that will direct the revitalization of the Project Area.

Redevelopment Plan/Program Summary

The Redevelopment Plan can be summarized as an incremental 30-year urban infill and rehabilitation program that will authorize the Redevelopment Agency to participate in and/or assist with certain projects and programs to correct or alleviate documented physical and economic blighting conditions in the Project Area that, taken together, aim to create a more vibrant and balanced mixed-use district over time.

Agency efforts will place a special emphasis on building upon the existing fabric and assets of the district, including: increasing the ratio of residential development to other land uses; expanding upon existing arts, cultural and entertainment activities; aiding existing businesses; attracting new complementary commercial development; and rehabilitating existing commercial and residential space in historic buildings. In addition, the Redevelopment Plan aims to retain existing and historic affordable housing ratios as well as community-serving office space. To support the Project Area's anticipated growth in residential population, businesses, and employees, and to serve citywide and regional needs, the Redevelopment Plan anticipates additional facilities to house civic, social and cultural services and activities and public improvements, including the upgrading of public open space, streetscapes and transit facilities.

D. Five-Year Action Program for Non-Housing Redevelopment Activities

During the first five-year implementation period, it is estimated that approximately \$9,024,000 in net tax increment and bond proceeds will be available for non-housing activities. The total funds anticipated for direct program funding after payment of debt service on the bonds, Agency administrative costs and community outreach funds (including PAC support) is \$6,575,000.

Proposed Non-Housing Activities

During the first five years, the Agency's non-housing activities will focus on implementation planning. Specifically, these activities will include:

- Preparing environmental studies and assessments as necessary.
- Reviewing projects and implementing an entitlement process.
- Preparing amendments to the Mid-Market Redevelopment Plan and the Yerba Buena Center Redevelopment Plan in order to fiscally merge the Mid-Market Redevelopment Project Area with the Emporium Site Area of the Yerba Buena Center Redevelopment Project Area.
- Establishing design guidelines, a streetscape plan, and a transportation access/parking management plan.
- Conducting an analysis and implementation strategy for arts, culture and entertainment development.

- Developing an implementation strategy for commercial economic revitalization and physical rehabilitation efforts similar to the Agency's existing Sixth Street economic revitalization program

Possible Additional Non-Housing Activities

- Begin financially feasible implementation steps as outlined in the streetscape plan, transportation access/parking management plan (e.g., first phase, detailed design, construction drawings, parking management systems, etc.).
- Begin financially feasible implementation steps as called for by the preceding arts, cultural and entertainment analysis.
- Begin financially feasible implementation steps as outlined in the streetscape plan, transportation access/parking management plan.
- Begin financially feasible aspects of the proposed economic revitalization program such as matching funds or loans for façade improvements, tenant improvements, historic preservation and rehabilitation.

Elimination of Blight

As discussed in Chapter VI of this report, the redevelopment of the Project Area will eliminate the blighting conditions described in Chapters IV and V of this report. As part of the overall redevelopment program, the five-year action program described above will contribute to the alleviation of those blighting conditions. Specifically, the five-year action program addresses the following blighting conditions:

- Extensive and very extensive physical building deficiencies
- High commercial vacancy rates
- The presence of underutilized properties
- Deteriorated and substandard public improvements
- A high crime rate

One purpose of the residential development will be to implement a key provision of the CRL – the enhancement of affordable housing opportunities for households earning at or below 120 percent of the area median income. Section 33334.2 of the CRL requires that the Agency utilize at least 20 percent of all tax increment revenue allocated to the Agency to increase or enhance the community's supply of affordable housing. In addition, as described in Section 4.10.7 of the Redevelopment Plan, over the term of the Redevelopment Plan, the Agency shall use no less than 50% of the total tax increment funds that the Mayor and Board of Supervisors allocate to the Agency for its Mid-Market redevelopment activities for the purposes of increasing, improving, and preserving the City's supply of housing for persons and families of extremely low, very low, low or moderate income. (For purposes of this Section, "redevelopment activities" mean the Agency's work program as described in its annual budget.)

The residential component of the Mid-Market Redevelopment Project will produce approximately 3,300 residential units, of which at least 20 percent, or approximately 660 units, will be affordable to very low-, low- and moderate-income households. In addition, the Agency will

ensure that at least 1,221 units are affordable in the Project Area overall, which will result in an overall housing production rate as high as 37% assuming the loss of the existing affordable housing stock.

The Agency may establish a range of housing programs that seek to enhance project design and leverage federal, state and private funding sources to develop high quality, attractive and affordable housing developments serving a diverse population. The funds directed toward this Project will be used in a flexible manner in order to respond to favorable development opportunities. The type of financial assistance to be provided may include cost write-down and gap financing to allow design enhancements, property acquisition, construction costs, predevelopment costs and permit fees. Appropriate uses of these funds include new affordable rental and homeownership construction and assistance to homebuyers with acquiring affordable housing.

E. Five-Year Action Program for Affordable Housing Activities

Tax Increment Funding

During the first five-year implementation period, it is estimated that approximately \$9,779,000 in net tax increment and bond proceeds will be available for housing activities. The total funds anticipated for direct program funding, after payment of debt service on the bonds and Agency administrative costs, is \$7,824,000.

Proposed Housing Activities

The Agency will promote the development of a mixed-income neighborhood through providing assistance in the development and preservation of affordable housing in the Project Area.

The Agency may establish a range of housing programs that seek to enhance project design and leverage federal, state, and private funding sources to develop high quality, attractive, and affordable housing developments serving a diverse population. The funds directed toward this program will be used in a flexible manner in order to respond to favorable development opportunities.

The type of financial assistance to be provided may include cost write-down and gap financing for projects utilizing federal and state tax credits, grant or loan funds to facilitate design enhancements, property acquisition, construction and predevelopment. Appropriate uses of these funds include new affordable rental housing construction.

As part of the Affordable Housing Program, the Agency will generally undertake projects characterized by the following goals:

- Expand the City's supply of extremely low-, very low-, low- and moderate-income housing.
- Ensure that, at a minimum, at least 20 percent of all new or substantially rehabilitated housing development is affordable. In the event that existing affordable housing stock is lost, ensure that at least 1,221 units are affordable in the Project Area.
- Expend affordable housing funds in accordance with the CRL, including surpassing the required 20 percent set-aside by utilizing at least 50 percent of the tax-increment for affordable housing production.

- Facilitate development of new affordable rental housing targeting incomes no greater than 60 percent of median income.
- Prioritize the development of rental housing for families making between 0 and 50 percent of area median income.
- Facilitate housing for the elderly and others with special needs.
- Provide housing and related assistance to homeless individuals.

In particular during this Implementation Plan period, the Agency will be looking to finalize the development of two new affordable housing developments along Mission Street between 9th and 10th Streets. To date these projects have been financed with citywide housing funds in order to jump-start and ensure the development of a substantial amount of affordable housing in the Project Area. Given the large strain on scarce affordable housing dollars, the Mid-Market affordable housing program for the first five years aims to ensure completion of these important projects.

Possible Additional Housing Activities

If possible, the Agency will seek to utilize other sources of funding for housing activities during the first five years, including financial assistance from the city, the state, or the federal government, interest income, donations, loans from private institutions, assessments, the lease or sale of Agency-owned property or any other available source, public or private. If available, this funding could support the additional housing activities in line with the goals and objectives outlined above.

F. Affordable Housing Production Plan

Housing Production Schedule (2006 to 2011)

During the first five-year implementation period, the Agency will focus any tax-increment revenue and bond proceeds towards the completion of the 10th and Mission and 9th and Jessie affordable housing developments. This will create 231 affordable housing units for seniors, families and the formerly homeless. It is also anticipated that there will be enough incentives to encourage private development and that the housing market will remain robust. If this is the case, there is the potential for hundreds of new units, of which 12-17 percent of the units are required to be affordable, depending on a number of factors. For example, in the first eight years of the Redevelopment Plan, integration of affordable units with market rate units on-site will require 12 percent of the units to be affordable, while development "off-site" will require 17 percent of the units to be affordable. Developers taking advantage of a height incentive in the Mid-Market SUD will also be required to provide 3 percent more affordable units (i.e., 15 percent on-site or 20 percent off-site).

Potential Inclusionary Affordable Housing:	120
Anticipated Agency Subsidized Affordable Housing:	231
Total Affordable Housing:	351

Housing Production Schedule (2011 to 2016)

During the implementation period from 2011 to 2016, the Agency will actively pursue the development of new, or the rehabilitation of existing buildings for affordable housing in line with the goals and objectives of the Redevelopment Plan. It is also anticipated that there will be enough incentives to encourage private development and that the housing market will remain robust. If this is the case, there is the potential for hundreds of new units, of which 12-17 percent of the units are required to be affordable, depending on a number of factors. For example, in the first eight years of the Redevelopment Plan, integration of affordable units with market rate units on-site will require 12 percent of the units to be affordable, while development "off-site" will require 17 percent of the units to be affordable. After the first eight years (the first three years of this Implementation Plan cycle), developers will be required to build 15 percent of their units as affordable if built on-site and 20 percent if built off-site. Developers taking advantage of a height incentive in the Mid-Market SUD will also be required to provide 3 percent more affordable units (i.e., 18 percent on-site or 23 percent off-site).

Potential Inclusionary Affordable Housing:	148
Anticipated Agency Subsidized Affordable Housing:	154
Total Affordable Housing:	302
Cumulative Housing Production (2016):	653

Housing Production Schedule (2016 to 2036)

During the implementation period from 2016 to 2036, the Agency will actively pursue the development of new or the rehabilitation of existing buildings for affordable housing in line with the goals and objectives of the Redevelopment Plan. It is anticipated redevelopment investments will encourage the remaining vacant lots and/or buildings to be redeveloped or rehabilitated. If this is the case, there is the potential for hundreds of new units, of which, 15-20 percent of the units will be required to be affordable depending on a number of factors. Developers will be required to build 15% of their units as affordable if built on-site and 20% if built off-site. Taking advantage of a height incentive will also require 3% more affordable units.

During this phase of the Redevelopment Plan, the Agency will make strategic investments to ensure that, at a minimum, at least 20% of all new or substantially rehabilitated housing development is affordable. In the event that existing affordable housing stock is lost, the Agency will ensure that at least 1,221 units are affordable in the Project Area.

Cumulative Housing Production (2036):

Potential Inclusionary Affordable Housing:	289
Anticipated Agency Subsidized Affordable Housing:	279
Total Affordable Housing:	568
Cumulative Housing Production (2036):	1221

Affordability Levels

All of the affordable housing units produced within the Project Area with assistance from the Agency will be affordable to persons and families whose incomes do not exceed 60 percent of the area median income and, in most cases, will be affordable to persons and families whose incomes are significantly less than 60 percent of the area median income. Examples of this type of affordable housing include extremely low-income housing for the formerly homeless, affordable senior housing and family housing. The exact type of affordable housing that is produced will be determined in consultation with the community and affordable housing developers in order to meet the changing needs of San Francisco.

Appendix E: Relocation Program

Mid-Market Redevelopment Project Area Relocation Program

Property Acquisition

The Mid-Market Redevelopment Plan authorizes the Agency to acquire property within the Project Area for the purposes described in the Redevelopment Plan. In acquiring property, the Agency first attempts to reach a negotiated agreement with the property owner in accordance with the property acquisition procedures contained in state law. These procedures include the following: 1) the Agency will determine the fair market value of the property, based on preparation of an independent appraisal. 2) The Agency will provide the owner with an offer to acquire the property at the fair market value, as determined by the appraisal. 3) The Agency will also negotiate with the property owner on the terms of a purchase and sale agreement. If a property owner is unwilling to sell a property or redevelop it themselves, then a fair market value acquisition may be completed through the eminent domain process for certain limited categories of property delineated in the Redevelopment Plan.

Potential Displacement and Need for Relocation

If Agency acquisition or redevelopment of the property with Agency assistance will result in displacement of occupants (residents and/or businesses), the Agency will comply with applicable state or federal relocation requirements.

Relocation Method

In all instances where displacement of existing occupants may result from property acquisition by the Agency or as a result of Agency assisted redevelopment, the Agency will carry out or supervise relocation activities and the provision of relocation benefits in accordance with state law (or federal law where acquisition or redevelopment is financed with federal funds and federal law provides for more generous benefits). The Agency will also comply with the relocation and replacement housing requirements of the Community Redevelopment Law.

In most instances, state law and the guidelines adopted by State of California's Department of Housing and Community Development ("HCD Guidelines") govern the applicable relocation assistance requirements. Pursuant to Resolution No. 78-93, the Agency has adopted the HCD Guidelines as the Agency's Relocation Assistance Rules. The Rules also provide that a grievance may be filed from relocation determinations to the Relocation Appeals Board established pursuant to Chapter 24B of the City's Administrative Code.

Where federal funding is provided for a development, eligible residential occupants who will be displaced by such development may be entitled to receive relocation assistance pursuant to federal law. In such instance, the Agency will comply with the requirements of either state or federal law that provide the greater benefits to eligible occupants who will be displaced.

Prior to displacement, the Agency will require preparation of a site-specific relocation plan. Such relocation plan will be prepared as soon as practicable after negotiations are initiated by the Agency to acquire the property or when the Agency authorizes a loan or grant of Agency funds for the development of a site. If less than sixteen households will be displaced, the Agency may utilize the Model Relocation Plan developed by HCD. In all instances, no residential household entitled to relocation benefits shall be displaced until a suitable and comparable dwelling unit has been made available to such household.

Appendix F: Selections for Case Report 2002.0805R, Finding the Redevelopment Plan Consistent with the General Plan

Case Report
Case No. 2002.0805R
Amendments to the Mid-Market
Preliminary Plan, CEQA Findings, and General Plan Conformity Findings
Related to the draft Mid-Market Redevelopment Plan

CASE REPORT

Case No. 2002.0805R
Consideration of amendments to the Mid-Market
Redevelopment Project Area Preliminary Plan, and related
CEQA findings and General Plan Conformity findings.

Case Planners: Marshall Foster, 558-6362

Date: May 11, 2005

Reviewed By: Amit K. Ghosh, Chief of Comprehensive Planning

Applicant: *San Francisco Redevelopment Agency*

Preliminary Staff Recommendation: Staff recommends that the Commission adopt a motion 1) amending the Mid-Market Redevelopment Project Area Preliminary Plan; 2) making CEQA findings; and 3) making findings of conformity with the San Francisco General Plan related to the draft Mid-Market Redevelopment Plan.

Overview: On December 12, 1996, The Planning Commission Adopted Resolution No. 14256, Wherein The Commission Formulated A Preliminary Plan For The Mid-Market Redevelopment Project Area And Found That Preliminary Plan In Conformity With The General Plan (Included Here As Attachment 2). Since That Action, Revisions Have Been Made To The Objectives And Scope Of The Preliminary Plan, As Well As To The Proposed Boundaries Of The Redevelopment Area. In Order For The Redevelopment Plan For Mid-Market To Be Considered, The Planning Commission Must Amend The Preliminary Plan To Reflect These Revisions, Make Ceqa Findings, And General Plan Conformity Findings Related To The Draft Redevelopment Plan.

On April 14, 2005, the Planning Commission adopted a motion initiating Planning Code text and map amendments related to the proposed Mid-Market Special Use District (MMSUD), which will be the primary implementation tool for the Redevelopment Plan. Action related to the MMSUD is not before the Commission at this time. Staff is currently working with the Mid-Market community to refine the MMSUD proposal and will bring these items back to the Commission for consideration at its June 2, 2005 hearing.

Background: The Mid-Market redevelopment planning process was initiated in mid-1994 at the request of area stakeholders. In December 1995, the Board of Supervisors created the Mid-Market Survey Area to determine what role the City can play in the revitalization of this portion of the Market Street corridor. With Survey Area designation, a Citizens Advisory Committee (CAC), selected by the Mayor, was formed to guide the initial process and serve in an advisory capacity to the Redevelopment Agency.

In 1996 and 1998 respectively, the Mid-Market Preliminary Plan and the Mid-Market Concept Plan laid out potential redevelopment concepts for the original Survey Area. The Mid-Market Preliminary Plan, adopted by the Planning Commission in December 1996, provided a general statement of land uses, layout of principal streets, population densities, building intensities, and standards proposed as the basis for redevelopment of the Project Area under it. The Mid-Market Concept Plan, published in July 1998, set forth a vision for the revitalization of the Survey Area.

Since 2001, CEQA review of the initial Redevelopment Plan and SUD proposal were conducted, and a final EIR document was certified in September 2003. The Mid-Market PAC submitted a draft Redevelopment Plan and Special Use District to the Redevelopment Agency and the Planning Department in March of 2004. At this point, Planning Department Staff began working in earnest with SFRA and the Mid-Market PAC to refine the proposed MM SUD to build on existing policies for the downtown area, as well as new policy initiatives emerging through the Planning Department's "Downtown Neighborhoods Initiative." Since June 2004, city staff has worked with the PAC to refine the draft Redevelopment Plan and SUD proposal. In February 2005, PAC endorsed a revised Mid-Market Plan and SUD. Planning Department staff drafted amendments to the Planning Code and Zoning Map to implement the SUD, and the Planning Commission adopted motions of intent to initiate these amendments on April 14, 2005.

Amendments to the Mid-Market Redevelopment Project Area Preliminary Plan

The Mid-Market Preliminary Plan as proposed to be amended (included in the attached motion as Exhibit A) responds to changes to the proposed Mid-Market Project Area boundary, addresses changes to the specific proposals in the Mid-Market Redevelopment Plan, and recognizes changing physical, social and

economic conditions in the Project Area. The primary changes to the 1996 Preliminary Plan are as follows:

The Project Area boundary and legal description have been updated to reflect the current boundary as established by the Redevelopment Agency (a comparison of these boundaries is included as attachment 1);

Language describing the area's population/ and density has been updated to emphasize encouraging increased housing density within existing height and bulk zoning districts, rather than encouraging changing height and bulk districts as was earlier anticipated;

The "Attainment of Purposes of State Law" section has been updated to reflect the updated description of existing blighting conditions and updated redevelopment program description;

Language has been included to recognize certification of the Mid-Market Plan EIR on September 18, 2003 by the Planning and Redevelopment Commissions;

Language has been cleaned up to correct minor drafting errors.

In reviewing the proposed amendments, staff has concluded that they are necessary and appropriate to make the Preliminary Plan consistent with the draft Mid-Market Redevelopment Plan. Therefore, staff recommends that the Planning Commission adopt the attached draft motion amending the Preliminary Plan.

CEQA Findings related to the draft Mid-Market Redevelopment Plan

Before the Planning or Redevelopment Commissions can act on the Mid-Market Redevelopment Plan, they must consider the EIR and adopt certain findings required by CEQA. The CEQA Findings set forth the basis for approving the Mid-Market Redevelopment Plan as proposed and the economic, social and other considerations which support the rejection of alternatives in the EIR, which were not incorporated into the Project. The Findings provide for adoption by the Planning Commission all of the mitigation measures in the Mid-Market Redevelopment Plan EIR, certified by the Planning Commission on September 18, 2003 in Motion No. 16657. An Addendum to the Final EIR is being prepared by Planning staff to address changes in the Plan's proposals since the EIR's certification, and will be distributed to the public prior to the Planning Commission's May 19 hearing to consider this item. Finally, the Findings identify significant adverse environmental impacts of the project that have not been mitigated to a level of insignificance by adoption of mitigation measures, and contain a Statement of Overriding Considerations, setting forth the specific reasons in support of the approval of the implementing actions and the rejection of alternatives not incorporated into the project.

In reviewing the draft Redevelopment Plan, staff has concluded that the draft Redevelopment Plan will not create new environmental effects or substantially increase the severity of previously identified significant effects. Furthermore, changes to the Redevelopment Plan proposal are addressed through the

addendum to the Final EIR. Therefore, Staff recommends that the Planning Commission adopt the attached draft motion including the proposed CEQA Findings.

Findings Of General Plan Conformity

The Planning Commission is also required to find the draft Mid-Market Redevelopment Plan in conformity with the city's General Plan. Staff finds the draft Redevelopment Plan in conformity with the General Plan of the City and County of San Francisco as a whole. The San Francisco General Plan, particularly the Housing Element, Transportation Element, Urban Design Element and the Downtown Area Plan, contain policies applicable to the Mid-Market Area. These policies are generally consistent with development envisioned in the Redevelopment Plan. An analysis of the relevant General Plan goals, objectives, and policies is included as Attachment 3.

The Planning Commission is also required to find the Mid-Market Redevelopment Plan consistent with Planning Code Section 101.1 (b), which establishes eight priority policies and shall be the basis by which differences between competing policies in the General Plan are resolved. An analysis of the consistency of the Plan with the eight priority policies is included as Attachment 4.

Attachment 3:
ANALYSIS OF APPLICABLE
GENERAL PLAN OBJECTIVES AND POLICIES

General Plan Objectives and Policies concerning the project are in bold, General Plan text is CAPS, and staff comments are in *italics*.

ARTS ELEMENT

GOAL I

SUPPORT AND NURTURE THE ARTS THROUGH CITY LEADERSHIP

OBJECTIVE I-1

RECOGNIZE THE ARTS AS NECESSARY TO THE QUALITY OF LIFE FOR ALL SEGMENTS OF SAN FRANCISCO.

OBJECTIVE 2

INCREASE THE CONTRIBUTION OF THE ARTS TO THE ECONOMY OF SAN FRANCISCO.

GOAL II

RECOGNIZE AND SUSTAIN THE DIVERSITY OF THE CULTURAL EXPRESSIONS OF ART IN SAN FRANCISCO.

OBJECTIVE II-1

INSURE REPRESENTATIVE PARTICIPATION OF THE CITY POPULATION IN ARTS DECISION-MAKING AND PROGRAMMING.

OBJECTIVE II-2

SUPPORT ARTS AND CULTURAL PROGRAMS WHICH ADDRESS THE NEEDS OF DIVERSE POPULATIONS.

OBJECTIVE II-3

PROMOTE ARTS EDUCATION PROGRAMS THAT REFLECT THE CULTURAL DIVERSITY OF SAN FRANCISCO.

GOAL III

RECOGNIZE AND SUPPORT INDIVIDUAL ARTISTS AND ARTS ORGANIZATIONS, A COMBINATION THAT IS VITAL TO A THRIVING ARTS ENVIRONMENT.

OBJECTIVE III-1

ENHANCE THE CONTRIBUTION OF ARTISTS TO THE CREATIVE LIFE AND VITALITY OF SAN FRANCISCO.

OBJECTIVE III-2

STRENGTHEN THE CONTRIBUTION OF ARTS AND ORGANIZATIONS TO THE CREATIVE LIFE AND VITALITY OF SAN FRANCISCO.

GOAL V

INCREASE FUNDING SUPPORT FOR THE ARTS IN SAN FRANCISCO.

OBJECTIVE V-3

DEVELOP AND EXPAND ONGOING PARTNERSHIPS WITH THE PRIVATE SECTOR IN SUPPORT OF THE ARTS.

GOAL VI

ENHANCE, DEVELOP, AND PROTECT THE PHYSICAL ENVIRONMENT OF THE ARTS IN SAN FRANCISCO.

OBJECTIVE VI-1

SUPPORT THE CONTINUED DEVELOPMENT AND PRESERVATION OF ARTISTS' AND ARTS ORGANIZATIONS' SPACES.

OBJECTIVE VI-2

INCREASE OPPORTUNITIES FOR PUBLIC ART THROUGHOUT THE CITY.

The Mid-Market Redevelopment Plan as proposed to be amended supports the expansion of existing arts, cultural and entertainment uses and supports the creation of new arts facilities in the Project Area. Arts, entertainment and cultural facilities play an important role in the Project Area by providing a wide range of both nighttime and daytime entertainment activities for San Francisco residents. The Redevelopment Plan supports existing and new arts, cultural and entertainment uses in the Area.

URBAN DESIGN ELEMENT**OBJECTIVE 1**

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

OBJECTIVE 3

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

DOWNTOWN ELEMENT

OBJECTIVE 13

CREATE AN URBAN FORM FOR DOWNTOWN THAT ENHANCES SAN FRANCISCO'S STATURE AS ONE OF THE WORLD'S MOST VISUALLY ATTRACTIVE CITIES.

OBJECTIVE 14

CREATE AND MAINTAIN A COMFORTABLE PEDESTRIAN ENVIRONMENT.

OBJECTIVE 15

TO CREATE A BUILDING FORM THAT IS VISUALLY INTERESTING AND HARMONIZES WITH SURROUNDING BUILDINGS.

OBJECTIVE 16

CREATE AND MAINTAIN ATTRACTIVE, INTERESTING URBAN STREETSCAPES.

Both the Urban Design Element and the Downtown Element emphasize that tremendous care must be taken to ensure that new development complements rather than disrupts the existing urban form. Moreover, it stipulates that new buildings contribute to the overall attractiveness of the neighborhood and create visually interesting streetscapes. The Mid-Market Redevelopment Plan promotes these objectives by specifying a need for "development and urban design initiatives that enhance neighborhood livability and health." It further supports General Plan policies by calling for "vibrant, pedestrian friendly streetscapes." Any design guidelines that are developed as a result of this plan should contain specific recommendations for new developments to ensure that height, bulk and overall appearance are consistent with or enhance the existing architectural pattern in the Project Area and beyond.

The Mid-Market Redevelopment Plan retains existing policies and controls as they relate to urban design in the area. The height, bulk and character of new development in the area will be largely consistent with existing city policy for the area. By encouraging new mixed-use development and emphasizing the importance of pedestrian-oriented activities fronting on the street, the Redevelopment Plan will support increased pedestrian activity and provide relief from the many "dead zones" that currently exists in the pedestrian environment in the area today.

RECREATION AND OPEN SPACE**OBJECTIVE 2**

DEVELOP AND MAINTAIN A DIVERSIFIED AND BALANCED CITYWIDE SYSTEM OF HIGH QUALITY PUBLIC OPEN SPACE.

OBJECTIVE 4

PROVIDE OPPORTUNITIES FOR RECREATION AND THE ENJOYMENT OF OPEN SPACE IN EVERY SAN FRANCISCO NEIGHBORHOOD.

DOWNTOWN ELEMENT

OBJECTIVE 9

Provide Quality Open Space In Sufficient Quantity And Variety To Meet The Needs Of Downtown Workers, Residents, And Visitors.

The Mid-Market Redevelopment Plan supports the General Plan's policies to create sufficient neighborhood parks and open space. It states that open spaces such as a neighborhood park and pedestrian pathways should be developed provided that mechanisms are available to program, maintain and secure these gathering places. The General Plan is very clear in its support of continued maintenance of existing open space facilities and development of new facilities. It states specifically that opportunities for recreation and the enjoyment of open space should be provided in every San Francisco neighborhood. This policy is supported by the Redevelopment Plan's call for the creation of new open spaces, including the possibility for a substantial new neighborhood park. This is particularly important in this neighborhood because of the current deficiencies in open space facilities to serve residents of the Project Area. Given that this plan calls for increased housing density, open space should be considered a high priority.

The dense pattern of development in the Project Area may preclude the assembly and development of traditional open spaces. This challenge could be overcome by widening sidewalks and using excess space in existing street rights-of-way to create linear plazas and usable open space, consistent with policies in the General Plan.

URBAN DESIGN ELEMENT

OBJECTIVE 2

Conservation Of Resources Which Provide A Sense Of Nature, Continuity With The Past, And Freedom From Overcrowding.

POLICY 2.4

Preserve Notable Landmarks And Areas Of Historic, Architectural Or Aesthetic Value, And Promote The Preservation Of Other Buildings And Features That Provide Continuity With Past Development.

POLICY 2.5

Use Care In Remodeling Of Older Buildings, In Order To Enhance Rather Than Weaken The Original Character Of Such Buildings.

POLICY 2.6

RESPECT THE CHARACTER OF OLDER DEVELOPMENT NEARBY IN THE DESIGN OF NEW BUILDINGS.

POLICY 2.7

RECOGNIZE AND PROTECT OUTSTANDING AND UNIQUE AREAS THAT CONTRIBUTE IN AN EXTRAORDINARY DEGREE TO SAN FRANCISCO'S VISUAL FORM AND CHARACTER.

DOWNTOWN ELEMENT**OBJECTIVE 12**

CONSERVE RESOURCES THAT PROVIDE CONTINUITY WITH SAN FRANCISCO'S PAST.

POLICY 12.1

PRESERVE NOTABLE LANDMARKS AND AREAS OF HISTORIC, ARCHITECTURAL, OR AESTHETIC VALUE, AND PROMOTE THE PRESERVATION OF OTHER BUILDINGS AND FEATURES THAT PROVIDE CONTINUITY WITH PAST DEVELOPMENT.

POLICY 12.2

USE CARE IN REMODELING SIGNIFICANT OLDER BUILDINGS TO ENHANCE RATHER THAN WEAKEN THEIR ORIGINAL CHARACTER.

POLICY 12.3

DESIGN NEW BUILDINGS TO RESPECT THE CHARACTER OF OLDER DEVELOPMENT NEARBY.

The Mid-Market Redevelopment Plan establishes goals and policies to encourage the preservation of existing historic resources. It includes specific strategies for ensuring the preservation of historically and architecturally significant buildings and districts. It calls for updating the Mid-Market's historic/architectural resource surveys and promotes financial incentives to support historic preservation efforts.

COMMUNITY FACILITIES ELEMENT**OBJECTIVE 2**

LOCATE AND DESIGN FACILITIES IN A MANNER THAT ENCOURAGES CONSTRUCTIVE POLICE/NEIGHBORHOOD INTERACTION

POLICY 2.1

PROVIDE EXPANDED POLICE/COMMUNITY RELATIONS AND POLICE SERVICES THROUGH OUTREACH PROGRAMS, PRIMARILY UTILIZING EXISTING FACILITIES.

OBJECTIVE 3

ASSURE THAT NEIGHBORHOOD RESIDENTS HAVE ACCESS TO NEEDED SERVICES AND A FOCUS FOR NEIGHBORHOOD ACTIVITIES.

POLICY 3.1

PROVIDE NEIGHBORHOOD CENTERS IN AREAS LACKING ADEQUATE COMMUNITY FACILITIES.

POLICY 3.2

ASSURE THAT NEIGHBORHOOD CENTERS COMPLEMENT AND DO NOT DUPLICATE EXISTING PUBLIC AND PRIVATE FACILITIES.

URBAN DESIGN ELEMENT**OBJECTIVE 4**

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY

POLICY 4.3

PROVIDE ADEQUATE LIGHTING IN PUBLIC AREAS.

POLICY 4.4

DESIGN WALKWAYS AND PARKING FACILITIES TO MINIMIZE DANGER TO PEDESTRIANS.

POLICY 4.5

PROVIDE ADEQUATE MAINTENANCE FOR PUBLIC AREAS.

POLICY 4.6

EMPHASIZE THE IMPORTANCE OF LOCAL CENTERS PROVIDING COMMERCIAL AND GOVERNMENT SERVICES.

POLICY 4.7

ENCOURAGE AND ASSIST IN VOLUNTARY PROGRAMS FOR NEIGHBORHOOD IMPROVEMENT.

The Mid-Market Redevelopment Plan recognizes the critical need for public and community services in the area, which proportionally to other areas of the city, has a higher population of homeless, at-risk and low- income individuals and families. This is consistent with the General Plan, which lays out three fundamental assumptions addressing the need for community services that meet diverse human needs and populations.

The Redevelopment Plan states that a pedestrian safety action plan will be developed. In both the Downtown Element and Transportation Element of the General Plan, pedestrian safety is addressed quite extensively. The policies described there should be included where applicable in the Mid-Market pedestrian safety action plan and enhanced where necessary.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

POLICY 2.1

SEEK TO RETAIN EXISTING COMMERCIAL AND INDUSTRIAL ACTIVITY AND TO ATTRACT NEW SUCH ACTIVITY TO THE CITY.

POLICY 2.2

SEEK REVENUE MEASURES WHICH WILL SPREAD THE COST BURDEN EQUITABLY TO ALL USERS OF CITY SERVICES.

POLICY 2.3

MAINTAIN A FAVORABLE SOCIAL AND CULTURAL CLIMATE IN THE CITY IN ORDER TO ENHANCE ITS ATTRACTIVENESS AS A FIRM LOCATION.

OBJECTIVE 3

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

POLICY 3.1

PROMOTE THE ATTRACTION, RETENTION AND EXPANSION OF COMMERCIAL AND INDUSTRIAL FIRMS WHICH PROVIDE EMPLOYMENT IMPROVEMENT OPPORTUNITIES FOR UNSKILLED AND SEMI-SKILLED WORKERS.

POLICY 3.2

PROMOTE MEASURES DESIGNED TO INCREASE THE NUMBER OF SAN FRANCISCO JOBS HELD BY SAN FRANCISCO RESIDENTS.

POLICY 3.3

EMPHASIZE JOB TRAINING AND RETRAINING PROGRAMS THAT WILL IMPART SKILLS NECESSARY FOR PARTICIPATION IN THE SAN FRANCISCO LABOR MARKET.

POLICY 3.4

ASSIST NEWLY EMERGING ECONOMIC ACTIVITIES.

OBJECTIVE 6

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOODS COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

POLICY 6.1

ENSURE AND ENCOURAGE THE RETENTION AND PROVISION OF NEIGHBORHOOD-SERVING GOODS AND SERVICES IN THE CITY'S NEIGHBORHOOD COMMERCIAL DISTRICTS, WHILE RECOGNIZING AND ENCOURAGING DIVERSITY AMONG THE DISTRICTS.

POLICY 6.2

PROMOTE ECONOMICALLY VITAL NEIGHBORHOOD COMMERCIAL DISTRICTS WHICH FOSTER SMALL BUSINESS ENTERPRISES AND ENTREPRENEURSHIP AND WHICH ARE RESPONSIVE TO ECONOMIC AND TECHNOLOGICAL INNOVATION IN THE MARKETPLACE AND SOCIETY.

POLICY 6.4

ENCOURAGE THE LOCATION OF NEIGHBORHOOD SHOPPING AREAS THROUGHOUT THE CITY SO THAT ESSENTIAL RETAIL GOODS AND PERSONAL SERVICES ARE ACCESSIBLE TO ALL RESIDENTS.

The goals established in the Economic Vitality section of the Mid-Market Redevelopment Plan are generally consistent with those established in the General Plan. The Commerce and Industry Element states that economic growth and change should be managed such that the living and working environment is enhanced. The Economic Vitality goals of the Redevelopment Plan support this objective in two ways. First, they call for a "balanced mix of activities and businesses that serve the diversity of community residents, workers and visitors." Second, they seek to "attract a mid to large-scale anchor retailer that will draw shoppers to the Mid-Market district while enhancing and supporting existing commercial business within the Project Area."

The General Plan encourages the promotion of "measures designed to increase the number of San Francisco jobs held by San Francisco residents" in Policy 3.2 of the Commerce and Industry Element. The Redevelopment Plan addresses this goal by specifying that job opportunities for Project Area residents should be

supported through partnerships with local employers and community serving employment organizations.

HOUSING ELEMENT

OBJECTIVE 1

IDENTIFY AND MAXIMIZE OPPORTUNITIES TO INCREASE THE SUPPLY OF HOUSING IN APPROPRIATE LOCATIONS CITYWIDE.

OBJECTIVE 3

ENHANCE THE PHYSICAL CONDITION AND SAFETY OF HOUSING WITHOUT JEOPARDIZING USE OR AFFORDABILITY.

OBJECTIVE 5

INCREASE THE EFFECTIVENESS AND EFFICIENCY OF THE CITY'S AFFORDABLE HOUSING PRODUCTION SYSTEM.

OBJECTIVE 6

PROTECT AFFORDABILITY OF EXISTING HOUSING

OBJECTIVE 7

EXPAND THE FINANCIAL RESOURCES AVAILABLE FOR PERMANENTLY AFFORDABLE HOUSING.

OBJECTIVE 8

ENSURE EQUAL ACCESS TO HOUSING OPPORTUNITIES

OBJECTIVE 9

AVOID OR MITIGATE HARDSHIPS IMPOSED BY DISPLACEMENT

The Housing Element establishes a variety of goals for housing, with a particular emphasis on the preservation of existing and the provision of new affordable housing of all types. This includes preserving the existing stock of affordable housing as well as creating incentives for the development of new permanently affordable housing by removing density barriers, improving the efficiency of the affordable housing production system and by expanding the financial resources that are available for affordable housing development. The Mid-Market Redevelopment Plan supports these goals by promoting higher densities and encouraging the development of a wide range of affordable housing types including family, senior, transitional, supportive and mixed-use. Moreover, it establishes a specific goal to develop affordable housing with an emphasis on making it affordable for the residents who currently live in the Project Area, as well as expected future residents.

The Housing Element also addresses the need to ensure that Single Room Occupancy Hotels are permanently affordable, safe, and livable for tenants and residents. The Mid-Market Redevelopment Plan supports this objective. It states that it will "promote livable standards for residential hotels in the Project Area in Coordination with other city agencies."

HOUSING ELEMENT

OBJECTIVE 11

IN INCREASING THE SUPPLY OF HOUSING, PURSUE PLACE MAKING AND NEIGHBORHOOD BUILDING PRINCIPALS AND PRACTICES TO MAINTAIN SAN FRANCISCO'S DESIRABLE URBAN FABRIC AND ENHANCE LIVABILITY IN ALL NEIGHBORHOODS.

New residential development that occurs as part of the Mid-Market Redevelopment Plan will support the principals laid out under Objective 11 of the Housing Element. Particular emphasis is placed on ensuring that public amenities are provided in order to support the new residents of the area and maintain overall neighborhood vitality.

HOUSING ELEMENT

OBJECTIVE 10

REDUCE HOMELESSNESS AND THE RISK OF HOMELESSNESS IN COORDINATION WITH RELEVANT AGENCIES AND SERVICE PROVIDERS.

Objective 10 of the Housing Element stresses the importance of establishing permanently affordable and service enhanced housing for homeless individuals and families as an alternative to temporary shelters. The Redevelopment Plan generally supports this objective by calling for support of homeless shelters in the Area.

TRANSPORTATION ELEMENT

OBJECTIVE 1

MEET THE NEEDS OF ALL RESIDENTS AND VISITORS FOR SAFE, CONVENIENT AND INEXPENSIVE TRAVEL WITHIN SAN FRANCISCO AND BETWEEN THE CITY AND OTHER PARTS OF THE REGION WHILE MAINTAINING THE HIGH QUALITY LIVING ENVIRONMENT OF THE BAY AREA.

POLICY 1.1

INVOLVE CITIZENS IN PLANNING AND DEVELOPING TRANSPORTATION FACILITIES AND SERVICES, AND IN FURTHER DEFINING OBJECTIVES AND POLICIES AS THEY RELATE TO DISTRICT PLANS AND SPECIFIC PROJECTS.

POLICY 1.2

ENSURE THE SAFETY AND COMFORT OF PEDESTRIANS THROUGHOUT THE CITY.

OBJECTIVE 11

ESTABLISH PUBLIC TRANSIT AS THE PRIMARY MODE OF TRANSPORTATION IN SAN FRANCISCO AND AS A MEANS THROUGH WHICH TO GUIDE FUTURE DEVELOPMENT AND IMPROVE REGIONAL MOBILITY AND AIR QUALITY.

POLICY 11.1

MAINTAIN AND IMPROVE THE TRANSIT PREFERENTIAL STREETS PROGRAM TO MAKE TRANSIT MORE ATTRACTIVE AND VIABLE AS A PRIMARY MEANS OF TRAVEL.

POLICY 11.2

CONTINUE TO FAVOR INVESTMENT IN TRANSIT INFRASTRUCTURE AND SERVICES OVER INVESTMENT IN HIGHWAY DEVELOPMENT AND OTHER FACILITIES THAT ACCOMMODATE THE AUTOMOBILE.

POLICY 11.3

ENCOURAGE DEVELOPMENT THAT EFFICIENTLY COORDINATES LAND USE WITH TRANSIT SERVICE, REQUIRING THAT DEVELOPERS ADDRESS TRANSIT CONCERNS AS WELL AS MITIGATE TRAFFIC PROBLEMS.

POLICY 11.4

ENCOURAGE THE DEVELOPMENT OF ONE OR MORE MULTI-SERVICE TRANSPORTATION OUTLETS AT TRANSIT-ACCESSIBLE LOCATIONS FOR THE SALE OF TRANSIT FARE INSTRUMENTS AND THE PROVISION OF OTHER KINDS OF TRIP INFORMATION.

DOWNTOWN AREA PLAN

OBJECTIVE 17

DEVELOP TRANSIT AS THE PRIMARY MODE OF TRAVEL TO AND FROM DOWNTOWN.

POLICY 17.1

BUILD AND MAINTAIN RAPID TRANSIT LINES FROM DOWNTOWN TO ALL SUBURBAN CORRIDORS AND MAJOR CENTERS OF ACTIVITY IN SAN FRANCISCO.

POLICY 17.2

EXPAND EXISTING NON-RAIL TRANSIT SERVICE TO DOWNTOWN.

POLICY 17.3

ESTABLISH EXCLUSIVE TRANSIT LANES ON BRIDGES, FREEWAYS AND CITY STREETS WHERE SIGNIFICANT TRANSIT SERVICE EXISTS.

The Transportation Element encourages the use of public transit as the primary mode of transportation in San Francisco, and discourages the use of automobiles in the downtown area, especially for commuting to work. The Mid-Market Redevelopment Plan encourages the creation of a comprehensive transportation demand and access program for the Project Area, which would serve to facilitate access by a variety of travel modes, including coordination with regional public transportation providers to optimize routing and service provision to arts, cultural and entertainment uses. The Redevelopment Plan also calls for extensive pedestrian and streetscaping improvements to major streets in the area, which will improve conditions in the area and make travel on foot, by bicycle and by transit more attractive to existing and new residents and workers in the Project Area.

TRANSPORTATION ELEMENT**OBJECTIVE 16**

DEVELOP AND IMPLEMENT PROGRAMS THAT WILL EFFICIENTLY MANAGE THE SUPPLY OF PARKING AT EMPLOYMENT CENTERS THROUGHOUT THE CITY SO AS TO DISCOURAGE SINGLE-OCCUPANT RIDERSHIP AND ENCOURAGE RIDESHARING, TRANSIT AND OTHER ALTERNATIVES TO THE SINGLE-OCCUPANT AUTOMOBILE.

POLICY 16.1

REDUCE PARKING DEMAND THROUGH THE PROVISION OF COMPREHENSIVE INFORMATION THAT ENCOURAGES THE USE OF ALTERNATIVE MODES OF TRANSPORTATION.

POLICY 16.2

REDUCE PARKING DEMAND WHERE PARKING IS SUBSIDIZED BY EMPLOYERS WITH "CASH-OUT" PROGRAMS IN WHICH THE EQUIVALENCY OF THE COST OF SUBSIDIZED PARKING IS OFFERED TO THOSE EMPLOYEES WHO DO NOT USE THE PARKING FACILITIES.

POLICY 16.3

REDUCE PARKING DEMAND THROUGH THE PROVISION OF INCENTIVES FOR THE USE OF CARPOOLS AND VANPOOLS AT NEW AND EXISTING PARKING FACILITIES THROUGHOUT THE CITY.

POLICY 16.4

MANAGE PARKING DEMAND THROUGH APPROPRIATE PRICING POLICIES INCLUDING THE USE OF PREMIUM RATES NEAR EMPLOYMENT CENTERS

WELL-SERVED BY TRANSIT, WALKING AND BICYCLING, AND PROGRESSIVE RATE STRUCTURES TO ENCOURAGE TURNOVER AND THE EFFICIENT USE OF PARKING.

POLICY 16.5

REDUCE PARKING DEMAND THROUGH LIMITING THE ABSOLUTE AMOUNT OF SPACES AND PRIORITIZING THE SPACES FOR SHORT-TERM AND RIDE-SHARE USES.

POLICY 16.6

ENCOURAGE ALTERNATIVES TO THE PRIVATE AUTOMOBILE BY LOCATING PUBLIC TRANSIT ACCESS AND RIDE-SHARE VEHICLE AND BICYCLE PARKING AT MORE CLOSE-IN AND CONVENIENT LOCATIONS ON-SITE, AND BY LOCATING PARKING FACILITIES FOR SINGLE-OCCUPANT VEHICLES MORE REMOTELY.

OBJECTIVE 17

DEVELOP AND IMPLEMENT PARKING MANAGEMENT PROGRAMS IN THE DOWNTOWN THAT WILL PROVIDE ALTERNATIVES ENCOURAGING THE EFFICIENT USE OF THE AREA'S LIMITED PARKING SUPPLY AND ABUNDANT TRANSIT SERVICES.

POLICY 17.1

DISCOURAGE THE PROVISION OF NEW LONG-TERM PARKING DOWNTOWN AND NEAR MAJOR EMPLOYMENT CENTERS.

POLICY 17.2

ENCOURAGE COLLABORATION AND COOPERATION BETWEEN PROPERTY OWNERS, NEIGHBORING USES AND DEVELOPERS TO ALLOW FOR THE MOST EFFICIENT USE OF EXISTING AND NEW PARKING FACILITIES.

DOWNTOWN AREA PLAN

OBJECTIVE 18

ENSURE THAT THE NUMBER OF AUTO TRIPS TO AND FROM DOWNTOWN WILL NOT BE DETRIMENTAL TO THE GROWTH OR AMENITY OF DOWNTOWN.

POLICY 18.2

PROVIDE INCENTIVES FOR THE USE OF TRANSIT, CARPOOLS AND VANPOOLS, AND REDUCE THE NEED FOR NEW OR EXPANDED AUTOMOBILE PARKING FACILITIES.

POLICY 18.5

DISCOURAGE PROLIFERATION OF SURFACE PARKING AS AN INTERIM

LAND USE, PARTICULARLY WHERE SOUND RESIDENTIAL, COMMERCIAL OR INDUSTRIAL BUILDINGS WOULD BE DEMOLISHED.

POLICY 20.7

ENCOURAGE SHORT-TERM USE OF EXISTING PARKING SPACES WITHIN AND ADJACENT TO THE DOWNTOWN CORE BY CONVERTING ALL-DAY COMMUTER PARKING TO SHORT-TERM PARKING IN AREAS OF HIGH DEMAND. PROVIDE NEEDED ADDITIONAL SHORT-TERM PARKING STRUCTURES IN PERIPHERAL LOCATIONS AROUND BUT NOT WITHIN THE DOWNTOWN CORE, PREFERABLY IN THE SHORT-TERM PARKING BELT.

POLICY 20.8

MAKE EXISTING AND NEW ACCESSORY PARKING AVAILABLE TO THE GENERAL PUBLIC FOR EVENING AND WEEKEND USE.

The Redevelopment Plan supports the policies of the Transportation Element by emphasizing the need to improve access to the Project Area by a variety of transportation modes, rather than emphasizing increased parking supply as the only solution. In keeping with the Objectives and Policies of the Transportation Element, The Redevelopment Plan encourages reduced reliance on private automobile use and calls for maximizing the efficient use of existing short-term parking facilities before building new ones. However, the plan also calls for the development of new short-term parking facilities. The Transportation Element recognizes that new short-term parking facilities should only be provided where there is an existing shortage of parking supply, and the Mid-Market Project Area is currently well-supplied with short-term parking in existing facilities, as well as a recently approved new facility at 1160 Mission Street. New short-term parking facilities should only be contemplated where a clear need for additional short-term parking supply can be demonstrated through a transportation study that considers all available alternatives.

TRANSPORTATION ELEMENT

OBJECTIVE 23

IMPROVE THE CITY'S PEDESTRIAN CIRCULATION SYSTEM TO PROVIDE FOR EFFICIENT, PLEASANT, AND SAFE MOVEMENT.

OBJECTIVE 25

DEVELOP A CITYWIDE PEDESTRIAN NETWORK.

OBJECTIVE 27

ENSURE THAT BICYCLES CAN BE USED SAFELY AND CONVENIENTLY AS A PRIMARY MEANS OF TRANSPORTATION, AS WELL AS FOR RECREATIONAL PURPOSES

OBJECTIVE 28

PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR BICYCLES.

DOWNTOWN AREA PLAN

OBJECTIVE 19

PROVIDE FOR SAFE AND CONVENIENT BICYCLE USE AS A MEANS OF TRANSPORTATION.

POLICY 19.1

INCLUDE FACILITIES FOR BICYCLE USERS IN GOVERNMENTAL, COMMERCIAL, AND RESIDENTIAL DEVELOPMENTS.

POLICY 19.2

ACCOMMODATE BICYCLES ON REGIONAL TRANSIT FACILITIES AND IMPORTANT REGIONAL TRANSPORTATION LINKS.

POLICY 19.3

PROVIDE ADEQUATE AND SECURE BICYCLE PARKING AT TRANSIT TERMINALS.

OBJECTIVE 22

IMPLEMENT A DOWNTOWN STREETScape PLAN TO IMPROVE THE DOWNTOWN PEDESTRIAN CIRCULATION SYSTEM, ESPECIALLY WITHIN THE CORE, TO PROVIDE FOR EFFICIENT, COMFORTABLE, AND SAFE MOVEMENT.

Policy 22.2

THROUGH THE DEVELOPMENT OF STREETScape STANDARDS AND GUIDELINES, MINIMIZE OBSTRUCTIONS TO THROUGH PEDESTRIAN MOVEMENT ON SIDEWALKS IN THE DOWNTOWN CORE.

POLICY 22.5

IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT. ATTRACTIVE PAVEMENT, TREES, CONTAINERS WITH SEASONAL FLOWERS, STREET LIGHTS, COLORFUL BANNERS AND AWNINGS SHOULD BE ADDED TO THE STREETS, AS WELL AS BENCHES AND SMALL SITTING AREAS WHERE PEOPLE CAN REST AND WATCH THE STREET LIFE.

POLICY 22.6

FUTURE DECISIONS ABOUT STREET SPACE, BOTH IN THIS PLAN AND BEYOND, SHOULD GIVE EQUAL, IF NOT GREATER, CONSIDERATION TO PEDESTRIAN NEEDS.

Both the Transportation Element and the Downtown Element support improving the pedestrian environment and encouraging the use of bicycles. Enhancing the pedestrian environment is encouraged through the provision of wide sidewalks, clearly marked crosswalks, benches, and street-level uses that attract pedestrians. Improving the environment for bicyclists is accomplished through the development of a well-marked network of bike routes that are designed to safely accommodate bicycles as well as automobiles. This is also accomplished by ensuring that secure bicycle parking facilities are widely available and easily accessible. The Mid-Market Redevelopment Plan supports the improvement of the pedestrian environment by improving directional signage, promoting pedestrian-oriented urban design and encouraging street-level uses that create active pedestrian traffic. In addition, it calls for the implementation of many pedestrian safety improvements including "encouraging the use of pedestrian pathways at intersections, installing countdown crosswalk lights and dedicated right-turn only lights for automobiles on Market Street, clearly demarcating crosswalks through better painting and augmenting islands to make street crossing safer."

The Redevelopment Plan supports General Plan policies regarding the environment for bicycles by calling for more bicycle lanes on major thoroughfares throughout the Project Area and through the development of more bicycle storage facilities.

Attachment 4:
Analysis of Section 101.1 (b) Eight Priority Policies

1. That existing neighborhood serving retail uses be preserved and enhanced and future opportunities for resident employment in or ownership of such businesses enhanced.

The Mid-Market Redevelopment Plan would have a positive effect on neighborhood serving retail uses. Existing neighborhood-serving retail uses would be enhanced through the potential for redevelopment funds to support façade improvements and other revitalization programs. IN addition, the Preliminary Plan encourages creation of significant new retail in the area. The Redevelopment Plan for Mid-Market also supports the creation of employment opportunities for local residents.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

The Mid-Market Redevelopment Plan would have a positive effect on the City's housing stock, and take steps to preserve the neighborhood character and cultural and economic diversity of the Mid-Market Project Area. The revised Preliminary Plan enables the creation of substantial new housing units in the area, and supports existing policies to preserve existing housing in the area, including Single Room Occupancy (SRO) units. As part of the proposed Mid-Market Redevelopment Plan, the Redevelopment Agency will be committed to preserving all existing affordable housing in the area. In addition, significant new affordable housing will be generated through inclusionary housing requirements, and this housing will be required to be provided entirely within the area and remain affordable for the life of the project.

3. That the City's supply of affordable housing be preserved and enhanced.

As described above, the Mid-Market Redevelopment Plan would contribute positively to the City's supply of affordable housing. Twenty to thirty-seven percent of the approximately 3,300 units that could be built under the proposed Redevelopment Plan would be affordable. Of those, twelve to fifteen percent would be affordable at 60 percent of the Area Median Income if provided as rental, and 100 percent of the Area Median Income if provided as ownership housing. Furthermore, under California Community Redevelopment Law, the Redevelopment Agency will invest no less than 20 percent of the total Tax Increment generated by the area into affordable housing, 40 percent of which must be affordable to very-low income households. No significant residential demolition is expected as a result of the Redevelopment Plan. Approximately 370 affordable

rental that could be demolished as part of the redevelopment of the Trinity Plaza Apartment will be replaced on-site.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The Mid-Market Redevelopment Plan would not result in additional commuter traffic impeding Muni transit service or overburdening the streets or neighborhood parking. Most of the city's major Muni lines currently run on Market and Mission Streets through the Area. Commuter parking which would generate additional traffic will continue to be strongly discouraged in the Area, as it is in the larger downtown.

The Mid-Market Redevelopment Plan supports an increase in the residential population of the area, which would increase the traffic on local streets and demand for parking. However, the high concentration of new residential development, easy access to jobs, service and transit, and pedestrian improvements would likely mean that new residents would make a greater share of trips without the use of the automobile, lessening the impacts of new residents on the overburdening of streets and neighborhood parking, especially as compared with the same amount of housing units being built in less central, transit-and pedestrian-friendly parts of the City and region. Furthermore, residential parking will not be required and a maximum of .375 cars per unit will be established, with up to one car per unit allowed through a Conditional Use Approval. While this additional residential parking will generate traffic which will impact Muni service, the Redevelopment Plan also calls for extensive streetscape improvement to Market, Mission and other streets in the area, which will make transit an attractive option to the thousands of new residents expected in the district. Furthermore, access to off-street parking will not be allowed on Market or Mission Streets, protecting these streets as priority streets for transit.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced.

While there are few remaining industrial and service businesses in the Mid-Market Project Area, the Mid-Market Redevelopment Plan would encourage new mixed-use development on many of these sites. Current General Plan policy for this portion of the downtown encourages new mixed-use commercial and residential development, however, provided it is consistent with planning and design standards for the area. The Redevelopment Plan would not make major changes to the allowable uses in the district.

6. That the City achieves the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The Mid-Market Redevelopment Plan would not adversely affect preparedness against injury and loss of life in an earthquake and would comply with applicable safety standards. The Redevelopment Plan would result in new buildings which would be subject to City and State Building, Fire, and Seismic Codes and other applicable safety standards.

7. That landmarks and historic buildings be preserved.

The Mid-Market Redevelopment Plan would have a positive effect on the preservation of the numerous landmarks and other historic buildings in the area. The Redevelopment Plan would establish new policies to preserve and rehabilitate the historic theater and loft buildings along Market Street, and calls for the creation of new financial mechanisms to leverage the adaptive reuse of these buildings. The Redevelopment Plan would also encourage new cultural and performing arts uses in the area's historic theaters, which would make many of these historic buildings available for public events that would raise awareness around the historic value of these buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development.

The Mid-Market Redevelopment Plan would have a positive effect on parks and open space, and would not adversely affect existing open spaces or their access to sunlight and vistas. The Project Area is currently deficient in open space according to existing city standards. The Redevelopment Plan will generate new funding sources to improve the maintenance and usability of existing open spaces, as well as fund the acquisition and development of new open spaces to serve the area's existing and new population of residents and workers.

Existing city policies pursuant to Proposition K will ensure that shadow impacts from new high-rise buildings are minimized. IN addition, new requirements for upper story building setbacks along Market and Mission Streets will ensure that shadow to public sidewalks are minimized along these streets, consistent with the goals of the Downtown Plan of the General Plan.

MID-MARKET REDEVELOPMENT PAC MEETINGS 1997

Summary

Beginning July 1997

Project Manager: Gail Goldman

Election of Officers of the Project Area Committee – This item was continued since the members of the PAC felt they did not have enough information on the duties of the officers.

By-Laws – Sample forms of by laws were distributed to PAC members. Using standard language from the sample by-laws and adding language specifically for Mid-Market purposes the by-laws for the Mid-Market Redevelopment Project Area were written and approved.

Federal Office Building Redevelopment Project – Ms Amy Neches, the Project Manager for the FOB gave a brief overview of the project.

Conflict of Interest Forms – James Karpiak, SFRA Legal Department, described the Political Reform Act and how it applied to committees such as the PAC. Also economic disclosure forms were discussed and different scenarios in which a member may have a conflict of interest were described.

No record of August Regular Meeting available to MSA. From minutes of August Special Meeting the Officers were chosen.

August 1997 (Special Meeting)

Presentation: Brown Act – SFRA counsel James Karpiak presented the Brown Act and how it is applied to the MM PAC.

Discussion: Meeting date, location, time - It was approved by the PAC that the MM PAC meetings would be conducted on the second Wednesday of each month, at 5:30 p.m. at least temporarily at the Ramada Hotel at 1231 Market Street. It was also motioned that a "vote by quorum present" be added to Section 9 to the by-laws. This was approved. The acceptance of the by-laws in total was also motioned and approved.

Discussion: PAC Committees – The formation of committees to obtain information and report back to the full group should be considered. However, it was decided that committees could be formed as needed.

Discussion: Board Training – The question was raised to the PAC if they wanted a consultant conduct a seminar of the role of boards. After discussion it was decided that this was not necessary.

Discussion: PAC staffing – The PAC was asked their opinions of a PAC staff position. What kind of staff, Whom ought to staff the PAC, How ought the staff be selected. It was suggested that the Market Street Association staff the PAC since the Association initiated the Redevelopment Project and had been on the Citizens Advisory Committee. A motion was put forward for MSA to be the PAC staff for administration and outreach work. The motion was passed.

September 1997

Review and Approval of Market Street Association (MSA) Contract- At the last PAC meeting the question was posed whether the MSA serving as PAC staff would be a conflict of interest since MSA had a seat on the PAC. Goldman distributed a memo from the Agency legal staff that confirmed there was no conflict of interest. The PAC once again voted to approve the MSA serving as staff.

Review and Approval of Goals and Objectives- Several of the goals and objectives which had been approved by the former Citizens Advisory Group were reviewed by the PAC. Some wordsmithing of this document was done and some of the text was sent back to Agency staff for re-wording.

Overview of Redevelopment: Helen Sauce, Deputy Director – Sauce gave the PAC an overview of the Redevelopment process and some history of other Redevelopment projects. She explained that there were various legal and financial tools that could be brought to the area; however, she cautioned that it would take time to reverse a declining slide. She noted that community agreement is key to moving the process along.

October 1997

Report from Amy Neches- Amy Neches, from the Redevelopment Agency, gave an update of the 7th & Mission site. She reported that on October 6, 1997 the Board of Supervisors adopted the annexation of the 7th & Mission site into the Golden Gateway & South of Market Redevelopment Project Area. She stated that just the footprint of the proposed GSA building was annexed. The remaining property continues to be within the boundaries of the Mid-Market Survey Area. The 7th & Mission site has not yet been purchased by SFRA. Neches stated that they anticipate construction to begin in two years.

Election of PAC Officers - A nominating committee was formed for this election.

Sub-areas and Catalysts Sites - The PAC discussed possible catalysts sites in the area and opportunity sites. SF City Planners made a presentation to the group. Parking was also a subject of discussion.

November 1997

Election of Officers – Linda Corso elected Chair, Jim Staryak elected Vice-Chair.

Discussion of Outreach – Market Street Association outlined the scope of services they would perform under a agreed contract with the Agency. These services would be:

- Administration
- Minutes
- Points of information for community, spokesperson for the PAC at any govt. meetings
- Outreach

SPUR'S Plan for the Area – Brett Gladstone gave a presentation of SPUR'S recommendations for the Mid-Market area.

December 1997

Hallidie Plaza – Staff of the SF Department of Public Works gave a presentation on the proposed improvements to Hallidie Plaza at 5th and Market Streets. The plan focuses on design and social improvements, including new lighting, better security, new benches and new landscaping.

Outreach – Carolyn Diamond discussed outreach plans so the community will remain aware of the progress of the PAC. She presented a draft letter to Mayor Brown asking for his support of the Mid-Market Project Area.

Policy for Setting the PAC Agenda – Goldman suggested that sub-committees be formed and they would place items on the agenda. Time limits on each item were also suggested.

Mid-Market Redevelopment PAC Meetings
Summary 1998

January

Project Manager's report- Gail Goldman introduces John Elberling as the replacement PAC member representing South of Market Problem Solving Council. Goldman announces that a bare bones draft concept plan will be presented.

Agency Director James Morales states that he is looking at feasibility for the proposed MM project, looking at smaller boundaries, looking at alternatives. He said that confronted with financial figures the Agency could not financially sustain all the survey areas at levels that were expected. He urged the group to keep an open mind about what government can and cannot do.

Steve Agostini gave a brief overview of the financial state of the Agency. Denise Conley of Keyser Marston Associates discusses market feasibility on the MM Survey Area.

A draft letter to Mayor Brown urging support of MM was approved.

February

Project manager introduces the presentation of the concept plan.

Concept Plan-Builds upon the strength of the area to produce positive change. The Big Ideas: A new residential area in an urban environment. Dealing with the identity of the area. Creating an Arts and Entertainment district with 24-hour activity. Deal with cleaning, security and graffiti in a humane way. Preserve historic buildings. Link Mid-Market with Union Square, YBC and Civic Center.

Framework plan:

Residential activities

Address needs of area population

Keep architectural character

Increase cultural activities

Create a theater district

Address future parking requirements

Rethink transit assets

Retail and Residential center

Improve mixed use around 6th Street

March

Project manager Goldman distributed a Proposed Program and Rationale list. These had been discussed at a meeting with 2 PAC members re: their costs. Goldman said that the costs needed to be further refined before they could be attached to the programs.

Goldman added that the focus should be on which programs are most important, what could be done by Redevelopment and what City Departments could do.

She outlined the Big Ideas in the Concept Plan:

Affordable housing

Arts and entertainment district

Link to YBC

Community service programs and entrepreneurial center

Public/private partnership program (to oversee implementation of the Plan)

A discussion of each highlighted program followed.

April

David Habert is introduced as the new Project Coordinator.

Habert led an open discussion, emphasizing that the plan is not going away. It will take six months to go through the concept plan and decide how to get the plan implemented.

Several PAC members commented on the need to identify sources of revenue before outlining a plan and prioritizing programs.

Executive Director Morales joins the meeting. He says that the idea is to come up with a self-sufficient plan.

May

PAC composition, attendance, resignations and absences discussed.

PAC Members rank eleven elements of the Concept Plan.

The concept of a Mid-Market Partnership is discussed.

June

List of members who were terminated for absences is passed out. The groups voted to reinstate five members who had asked to be reinstated.

Jim Staryak elected Chair, Amy Chung Vice-Chair.

David Habert distributes the results of the Concept Plan prioritization exercise.

July

DPW presentation of planned projects to improve street lighting in the Mid-Market Area, initiate a signage program and conduct analysis of use for United Nations Plaza.

Motions passed to place lighting on 5th Street from Market to Mission and on Golden Gate Ave. from Taylor to Jones.

Marketing plan for Mid-Market distributed by Hala Hijazi of the Mayor's Office of Economic Development.

August

DPW updates on lighting, signage and assessment of UN Plaza projects.

David Habert reports on boundary study and blight analysis. New boundaries from Fifth to mid-block of Eighth on Market and Mission were proposed.

Group requested that answers to "what programs?" and "what funding?" be brought to the next meeting.

Cheryl Parker joins the PAC from South of Market Foundation.

September

David Habert reiterated that Redevelopment could only address areas of blight, and that the final project area will likely be smaller than the original boundaries.

The status of the 7th and Mission site was discussed. The owner reported that they were negotiating for the sale of the property with the Redevelopment Agency. The owner wants 80% for the GSA and the rest turned back to the Mid-Market area.

The heavy concentration of UMB's in the area was reported, as well as the City's UMB fund.

PAC members requested a target budget for the project.

October

DPW report on the status of a lighting and signage program the City is implementing for Mid-Market.

Project manager for the GSA building at 7th and Market gives an update.

Jose Campos reports on the status of the City's UMB loan program.

Planning manager Campos then says that while the Mayor said that Mid-Market is not a priority, there is a new approach at the agency to look at the whole City and see how a program developed for Mid-Market would benefit the City.

Campos tells the group that there is no guarantee of any amount of funds for Mid-Market.

A projects committee is suggested and several PAC members volunteer to be on this PAC sub-committee which will develop specific and real projects.

November

DPW presents plans for a redesign for United Nations Plaza, which includes lighting, enhanced vegetation, and focusing on United Nations theme.

Report from Lower Eddy/Leavenworth Task Force on façade improvement, sidewalk cleaning, cultural program and public safety.

Sub-committee meets 2nd and 4th Tuesday of each month.

December

Projects Sub-Committee report. Potential project looked at is that of parking. Working with South of Market PAC on the need for a parking structure.

Projects Committee identifies sites from 5th to 8th that would meet the needs for revitalizing Mid-Market. These include the Strand Theater, Market Street Cinema, Mint and parking lot between Mission and Stevenson.

Mid-Market Redevelopment PAC Meetings Summary 1999

January

There was no PAC meeting in January 1999

February

Projects sub-committee reported on the History of the MM Redevelopment Survey Area since its beginnings in the community in 1994. The sub-committee members outlined four strategy points used as a guideline for looking at specific sites. These are housing, theater rehabilitation, UMB retrofit and parking/transit. This was a preparation for a report to the Redevelopment Commission.

David Habert lists Redevelopment tools defined as: assembling properties, financing UMB's and working with local owners.

Campos states that there is money to do affordable housing in the area now.

Also discussed were parking, making UMB loans more accessible, and a merger with the South of Market Project Area.

March

The proposal to consolidate the South of Market Earthquake Recovery Program and the Mid-Market area was reviewed.

Goals were formed by the working sub-committee regarding consolidation. These were: maintain this PAC, Communicate with the SOMPAC through a conference committee, make sure the elements of the Mid-Market plan are retained, make sure that Mid-Market gets a percent of the revenues.

April

Amendment to the by-laws that extended PAC members terms to 100 days after the adoption by the Board of Supervisors approving a redevelopment plan in the area.

Sub-committee recommends that the PAC continue any vote on the consolidation proposal until more clear information regarding finances and potential mutual benefits for the combined areas are provided by the Agency.

1999

Page 2

May

Sub-committee asked the agency to look at western boundaries of the proposed area, especially Mission Street from 7th to 10th.

A fiscal model is being worked on regarding consolidation with South of Market.

A presentation of proposed affordable housing developments followed. Sites mentioned were at 8th and Howard, 9th and Jessie, and 10th and Market.

The GSA site at 7th and Mission has been purchased and a community advisory committee will be formed. Two of its members will be from the MM PAC. The Federal Government is now seeking architectural designs.

June

Rhonnel Sotelo introduced as new project coordinator.

10th and Market acquired by TNDC and Citizens Housing Corp. for affordable housing units and ground floor retail.

Linda Schanfein introduced to PAC as new CBO member from Goodwill.

Other new PAC members elected at this meeting, Tarik Alzarie, Peter Poulos commercial tenants, Linda Corso, Vince Calcagno, commercial building owners, George Mallman, residential tenant.

Ralph Lee elected Vice Chair of the PAC.

Jose Campos presented a fiscal analysis of Consolidation and Mark Sullivan of Seifel Associates distributed the preliminary financial feasibility analysis for the MM survey area.

July

Agency staff distributes a handout of answers to frequently asked questions regarding consolidation. Rhonnel is continuing to put together a comprehensive question and answer handout. A conference committee will be created from the two PACs to discuss Plan Amendment.

Campos reiterates the mutual benefits of consolidation in terms of financing. Also, consolidation enables efficiency in the project area and ties the areas together physically and socially.

Citizens Advisory Committee for the Federal Building is discussed. This committee will advise on the design of the new building. Two openings will be dedicated for the MM PAC. Members of the full PAC will vote on who will hold the seats from those interested.

August

Motion passed to accept a good faith movement for consolidation and to begin a conference committee, which will be comprised of members from each PAC whose job it will be to negotiate compromises and alternatives to issues, which the PACs may disagree.

Ann Blackstone and Byron Yee will represent MM PAC on the GSA Building advisory committee. Alternates Cheryl Parker and Linda Schanfein.

Harry Haines and Stanley Herzstein voted on to the PAC in the Commercial Owner Category.

LowerEddy/Leavenworth Task Force express concerns regarding North of Market Blocks in the survey area. Some members are opposed to Redevelopment. They have presented five options. The discussion will continue with this group.

Brett Gladstone points out that a few years ago a compromise on this issue was reached with a similar Tenderloin group who wanted their own survey area. If North of Market formed their own survey area MM would cede the blocks. If not, they will stay in MM so that they could benefit from Redevelopment.

September

Rhonnel Sotelo reports that the South of Market Project Area Committee voted against the concept of consolidation with the Mid-Market area.

He also reported that the Lower Eddy/Leavenworth Task Force group voted to exclude the blocks on the North side of Market Street and look at endorsing only the inclusion of Market Street sidewalk and building facades on the North side of Market Street.

1999

Page 4

October

Patricia Schade from Martin Building Co. elected to the PAC in the Commercial Property Owner category.

Ralph Lee elected PAC Chair. Carolyn Diamond voted Vice Chair.

Consolidation with SOMPAC still being considered by Redevelopment Staff. Blight studies are continuing with the goal of making Mid-Market its own project.

PAC votes to write a letter to the Art Commission to postpone the replacement of the granite benches on Market between 5th and 8th Streets.

Diamond meets with Agency E.D. James Morales on the future of Mid-Market and is assured that the planning process will continue.

November

The PAC voted on consolidation with South of Market:

“Mid-Market PAC supports a consolidation that is mutually agreeable to both the Mid-Market PAC and the South of Market PAC but at a minimum achieves a fiscal merger.”

A specific list of projects to be brought before the Redevelopment Commissioners was developed by the Projects sub-committee and approved by PAC members.

Letter to the Arts Commission re: granite benches was approved.

December

Blight studies continue for west of 8th Street.

Sotelo and PAC members who participated reported on the workshop presentation to the Redevelopment Commissioners. Eight specific projects were presented to the Commission.

- Parking and transit
- Theater Rehabilitation
- Non-Profit office building
- Embassy Theater site
- Old Mint reuse
- Urban design guidelines
- Use vacant buildings
- Affordable Housing for North of Market blocks

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Mid-Market Redevelopment PAC Meetings Summary 2000

January

Elected to the PAC, Ken Parker, Residential Tenant and Andrew Fairbanks, of Arts Institute International, Commercial Tenant.

Plan adoption schedule for Mid-Market distributed.

Discussion of arts space, multimedia interest in Mid-Market, North of Market Blocks, Warfield Building and Emporium Building.

February

Odd Fellows Building is no longer on the market.

TNDC expected to buy property at 10th and Market from B of A and build a mixed-use project.

Report from Forest City on 835 Market (Emporium) Project. Construction expected to begin in September 2000.

John Elberling stresses that there is no money budgeted in Mid-Market for development. South of Market is in the same boat. The two Projects must get together and find the revenue. Two suggestions are to take money out of the housing budget or see if the Golden Gateway money has been maximized.

March

Letter by John Elberling to Executive Director Morales regarding the 5-year agency budget plan is discussed.

Synopsis of State policy on blight is distributed. Sotelo reports that the Agency believes that they are confident that blight exists from Fifth to Leavenworth. They are currently extending the analysis study to 10th St.

Meeting with Supervisor Katz and Grants for the Arts who agreed to move forward with the MM Redevelopment area since there was mutual interest from theater/arts people and Mid-Market in specific properties and sites for theater companies.

2000
Page 2

April

Elected to the PAC

Joseph Bolden	Residential Tenant
Roderick Kiracofe	Commercial Owner
Susan Moseley	Commercial Owner
Tracy Aubuchon	Commercial Owner

Draft of Recommended Goals and Objectives distributed.

May

Agreed to draft a letter to the Agency again asking the status of Mid-Market scheduling and money.

Elected to the PAC:

Lesley Pierce, ACT	CBO Arts/Culture
Susan Stryker, Center For Sexual Diversity	Commercial Tenant
Kat Foran	Commercial Tenant
Craig Adleman, TNDC	CBO Community Development Organization

By laws amended regarding absences:

"If any member of the PAC is absent from four (4) regular meetings within one calendar year, such absences shall result in the termination of the membership of the absenting member."

June

SF Bureau of Architecture gives a presentation of design concepts for the Civic Center.

Sub-committee recommends that three seats be added to the PAC, 1 Arts/Cultural and 2 non-profit community organization.

July

DPW presents preliminary plans for the renovation of UN Plaza. One million dollars has been obtained from the Federal Government for the redesign work.

Agency responds to the Mid-Market letter asking for a more direct response regarding the future of the Mid-Market survey area. Response from Director James Morales.

He states that the Agency has a renewed commitment to Mid-Market. The Agency's position is that a project area has to be self-sufficient. A fiscal merger must be passed by the Mayor and the Board of Supervisors. First you must look to the project itself.

PAC members respond.

PAC members elected to sit on the GSA design review: Linda Schanfein with alternates Peter Poulos and Andrew Fairbanks. Byron Yee will continue as a member.

The recommendation that there be 3 seats added to the PAC is tabled.

August

Rhonnel Sotelo distributes Project Description Mid-Market Redevelopment Plan and Mid-Market Development Scenarios-Potential Redevelopment Sites.

Samuel Noily elected to PAC under Commercial Owner category.

Sidewalk steam cleaning demonstration flyer distributed by Carolyn Diamond.

Potential Projects list distributed.

September

PAC member elected: Walter Armer, representing Seligman Enterprises, in the Commercial Owners Category.

PAC recommendation to include the blocks from 7th to 10th was presented to Agency Director Morales. The Agency will endorse 5th to 7th and will continue to study blight findings from 7th to 10th.

Emilio Cruz Director of the Mayor's Office of Economic Development discussed the status of the Old Mint.

October

Rhonnel Sotelo reported that he would be filing 2 options for the boundary analysis. Option A-5th to 8th Streets and Option B-5th to 10th Streets.

The Potential Projects list that was prepared in July is re-visited.

2000
Page 4

Byron Yee and Marty Cerles report on the GSA meeting regarding the 7th and Mission Site. The project is in planning stages with nothing specific decided.

Diamond, Aubuchon and Sotelo report on the Main Street conference that they attended. Subjects covered were Organization, Economic Restructuring and façade guidelines and historic preservation.

November

A discussion ensued regarding the dilemma of non-profit and arts organizations losing space to increased rents and shortage of properties.

The Main Street Program is presented along with the LISC program and the Fruitvale Main Street Program.

Donna Dessart, Arts Institute International, elected to replace Andrew Fairbanks in a Commercial Tenant seat.

The letter composed at the Projects Committee to the GSA from the PAC was presented to the GSA, but no response had been given.

December

Discussion of the Filipino Community South of Market and the property at 953 Mission Street known as Mint Mall.

The PAC recommendation for the project area is as follows: The north of Market blocks only include facades on Market Street. The south blocks on Mission Street belong to the SOMA survey area. Only the sidewalks (right of way) are in the Mid-Market area.

Projects and priorities are discussed, particularly the need to include social services in area planning.

Mid-Market Redevelopment PAC Meetings
Summary 2001

January 2001

GLBT Museum/Cultural Facilities Project – Susan Stryker presented a proposal for a GLBT museum in the Mid-Market area. As part of the museum project there would be a housing element. It was agreed to place an action item on the Feb. meeting asking the PAC to approve a letter of support.

Land Use & Zoning Controls – Discussion of amendments the PAC wished to make on zoning and regulatory controls. Vertical zoning, parking requirements for performance spaces, district zoning and regulatory powers were discussed. No formal action was taken.

Projects List – PAC members were asked to return the priorities ranking list.

Staff Report – An ad hoc committee would focus on outreach. SRO's in the area were contacted and staff gave a presentation at the San Christina building.

February 2001

New PAC members elected – David Hart (Residential Tenant) Patrick Banks (Commercial Owner) Alan Alberto (Commercial Owner)

PAC approves a letter to the International Museum of Gay and Lesbian History stating the PAC approves the concept of locating a cultural facility in Mid-Market.

Continued Discussion of Land Use, Zoning and Regulatory Issues – Project manager Sotelo passed on to the Planning Dept. the zoning and regulatory issues that have been developed so far.

The question arises if projects in MM will have to go through the Planning Commission and the Redevelopment Commission for approvals. It is suggested that the Plan have a land use map. Permitted development can be done parcel by parcel. Also, it can be also be written in the Plan that projects that have no Redevelopment financing only have to go through the Planning

Commission for approval. A committee was formed to meet and discuss land use and zoning and bring the info back to the full PAC.

Sotelo discusses Owner Participation Agreements.

Draft Redevelopment Plan - Sotelo distributes the draft of the MM Redevelopment Plan.

Staff Report – Diamond distributed the final draft of the projects priority listings. She gave a brief overview of outreach efforts.

March 2001

Supervisor Chris Daly – Newly elected Supervisor Daly visited the MM PAC meeting. He noted that housing and health care are on the top of his lists. He saw nothing in the Redevelopment Plan so far that he would object to and stated that if the Grant Building and the Mint Mall building could be preserved as community-serving uses this would help in politically moving forward the Redevelopment Project Area designation. He would like to see some negotiations as far as building parking garages. Saying that adult use theaters should be changed to family oriented theater is not something he would be comfortable with. Asked if pornography is allowed to remain on Market Street how are we going to redevelop it Daly responded that it is a first amendment issue and it is a battle that should be dealt with in the Courts.

Urban Land Institute Technical Assistance –Heidi Siegenthaler, the District Council Coordinator of the ULI District Council briefly discussed their Technical Assistance Program. Their mission is to help non-profits or small governments make decisions on their land use problems.

Discussion of Land Use, Zoning & Regulatory Issues – PAC was given the revised copy of the MM Amendments to the Zoning/Planning Code developed by the Projects Committee. Sotelo noted that no changes are being made to the height/bulk districts or redrawing zones.

MM Redevelopment PAC Meetings

Summary 2001

Draft Redevelopment Plan – Sotelo distributed the Draft Plan. Discussion and comments followed. The Plan will continue to be revised.

April 2001

949 Market Street Development – Carl Danielson of DWI presented their plan to develop the 949 Market

Street site with 120 condominiums with ground floor retail space. These are market rate condos with 10% below market rate.

SOMAD – Quentin Mecke of South of Market Anti-Displacement distributed a proposal composed by SOMAD named “Potential Specific Site Redevelopment Plan Project/Program Requirements”.

Draft Plan and Land Uses - Sotelo distributed a packet to the group that included drafts of the Plan, Owner Participation Rules and Proposed Amendments to Planning Code.

May 2001

New PAC members elected – Patrick Simms (Residential Tenant) Katherine Bernitt (Residential Tenant) Badru Valani (Commercial Property Owner)

Preliminary Report of the MM Project Area – Sotelo distributed binders containing the Redevelopment preliminary plan and the preliminary documents. Sotelo pointed out the blight analysis report. Two options were contained in the report. Option A – 5th to 8th Street and Option A + B which extended the boundary along the Mission Street corridor to 10th Street. Tax increment revenue projects for Option A over a 30-year period are approximately \$38 million. The figure for Option A +B are approximately \$71 million.

Rules for Owner Participation – The Projects Committee stated they are continuing to work on these rules. The Projects Committee meets every Monday.

Report on the Plan & Method of Relocation – The preliminary draft was provided for the plan & method of relocation.

Public Comment – The question was asked what efforts have been made to inform the residents of the North of Market blocks about the progress of this plan. Diamond responded that the outreach is continuing, every residential project has been contacted, flyers have been left at residential projects and stacks of PAC newsletters have been delivered. The Independent newspaper is publishing the PAC meetings scheduled.

June 2001

Design Review of the GSA building – John Nolte made a presentation on the design of the new federal building at 7th and Mission Streets.

Preliminary Reports – Sotelo distributed a partial draft of the Mid-Market Redevelopment Project Draft Preliminary Report prepared by Keyser Marston Associates.

July 2001

Announcements made: Jose Campos announced that Mr. James Morales, Executive Director of the Agency has resigned. He was replaced with Ms Marcia Rosen. Mid-Market's Project Manager, Rhonnel Sotelo resigned.

Jose Campos will take over as Project Manager.

Outreach and Focus Group Meetings - Campos announced two outreach meetings that have been scheduled for July. One is at SPUR and one at NOMPAC. A few of the MM PAC members will be on panels that will present to these groups.

This is the beginning of organizing other community meetings. Six subjects will be presented at larger community meetings. These are Affordable Housing, Historic Preservation/UMB Rehab, Transportation and Access, Arts and Culture District, Community Services, Economic Development.

Campos distributed a calendar outlining the plan adoption schedule.

Planning Code Amendments - Campos distributed a draft of the Proposed Amendments to the Planning Code. This would establish a Mid-Market Special Use District.

August 2001

New PAC members elected. Mark Casagrande (Commercial Property Owner)

Discussion and Approval of Goals and Objectives – Campos distributed the final draft of the Goals and Objects that was prepared by the Projects Committee. It was now put out to the PAC for review. With a few changes sections A & B were approved. The remainder of the document will be reviewed at the next PAC meeting.

Discussion & Approval of "Proposed Amendments to the Planning Code" - PAC members reviewed this document. Some changes were made to Item Ref 1 and then a vote was taken to approve with the changes Item Ref 1. It was approved.

Public Comment – Steve Taber of Hansen, Bridgett Marcus Vlahos Rudy LLP distributed "Development Incentive for Theater or Arts-related Facility" He had prepared this document at the request of the Projects Committee.

September 2001

New PAC members elected: James Brook (Commercial Tenant 1095 Market St.), Paul Hogan (Commercial Tenant 1049 Market St.), Rocky Lane (Commercial Property Owner), Lesley Pierce (Community Based Organizations, Art & Culture, representing ACT).

Discussion & Approval of Goals and Objectives – The PAC continued its review of the Goals and Objectives documents which was first presented at the August meeting. The remainder of the Goals and Objectives, Sections C & D were approved. In section E the Embassy Theater site was deleted in E-4. Section E was approved with this one change. In Section F-1 the word "daytime" was added. Section F was approved with this one change. In section G-1 the word "fire" was added. Section G was approved with this one change. This completed the approval of the Goals and Objectives document.

Discussion & Approval of Proposed Amendments to the Planning Code – The PAC continued its review of this document. At the August meeting Item Ref. 1 was approved. The following is a result of the PAC review:

Item Ref. 2 – Approved

Item Ref. 3 – Sent back to the Projects Committee

Item Ref. 3a – Approved

Item Ref. 3b – Approved
Item Ref. 6 – Approved
Item Ref. 7 – Sent back to the Projects Committee
Item Ref. 8 – Approved
Item Ref. 9 – Sent back to the Projects Committee
Item Ref. 10 – Approved
Item Ref. 11 – Approved

October 4th 2001 Special Meeting

A special meeting was called so the PAC members could review the Mid-Market packet that was prepared for the community outreach workshops. These workshops have been scheduled for October and November.

The PAC members reviewed the document and suggested some changes.

PAC members were asked to volunteer to act as a “point person” at the various workshops.

October 10th 2001 Regular Meeting

New PAC members elected: Mr. Malik Looper (Community Based Organization, Social Service Organization, representing Goodwill Industries) and Mr. Ralph Piper (Piper’s Jewelry, Commercial Tenant).

Mercy Housing – Ms Conover and Ms Gualco the Mercy Housing Organization gave a brief over view of the Mercy Housing Project proposed for Mission and Jessie Streets. The proposed development will have 2 housing elements, one for seniors and one for families. A commercial development is also being proposed to serve new and existing residents of the area. It is also proposed that the site include cultural space for a nonprofit organization and a theater.

Overview of Redevelopment Planning Documents – The PAC again reviewed drafts of the Community Outreach Workshop document. This document contained the suggested changes made by the PAC at its first review. Some further text change suggestions were made.

Jose Campos described the mechanics of the community workshops that will begin October 15.

Public Comment – Jose Campos announced that there will be an additional PAC meeting each month. The PAC will now meet the 2nd and 4th Wednesdays of the month.

October 24 2001 Special Meeting

Informational Discussion of Redevelopment Implementation and Eminent Domain – SFRA counsel Penny Nakatsu discussed the legal mechanisms of eminent domain. The PAC requested further information and discussion.

Review of Input from the Community Workshops – PAC members were given a packet of raw notes that were taken at the community workshops. The PAC reviewed and discussed these notes. No action was taken.

November 2001

Final review of Input from the Community Caucus Workshop Series – Jose Campos distributed a 5-page document containing some of the community's input gleaned from the workshops. The Projects Committee reviewed part of this document and the PAC reviewed the Projects comments. The section of the document that was not reviewed by the Projects Committee was sent back to the Committee.

Amendments of Goals & Objectives – Some of the original Goals & Objectives that were approved by the PAC were added to or changed in some manner at the community workshop sessions. The PAC reviewed these changes.

Amendments of Proposed Project and Program List – This item was continued.

Public Comment John Elberling distributed a memorandum asking for clarification of Plan Approval Procedures.

December 2001

The Proposed Amendments to Mid-Market Redevelopment Plan Goals & Objectives was approved. The document reflected the items for consideration based on input from the community caucus series.

MID-MARKET REDEVELOPMENT PAC MEETINGS
SUMMARY 2002

JANUARY 2002

Agency Staff Report: Two items were covered in this report. First was a brief presentation by the Agency's Deputy General Counsel, Penny Nakatsu on the subject of Eminent Domain. Ms Nakatsu distributed excerpts from the CA Government Code and Code of Civil Procedure and then followed up with a question and answer session.

Next, there was discussion on the procedures for Plan Approval. The PAC had submitted questions to the Agency at a prior meeting. A question and answer sheet was distributed addressing the original inquiries. This sheet was reviewed and discussed. One of the questions regarding the role of the SF Board of Supervisors was sent back to the Agency's counsel for further clarification.

FEBRUARY 2002

There was no February meeting of the MM PAC.

MARCH 2002

Chair Ralph Lee announced his resignation as Chair. Lee also announced that Commercial Tenant PAC member Ralph Piper had passed away.

Agency Staff Report: A new sub-committee was formed to discuss the non-profit office space portion of the MM plan. The sub-committee is being lead by member Craig Adelman. The EIR is behind schedule. It is anticipated that a draft may be complete by May and a copy for public review by June.

Agency staff has met with representatives of the Main Street Program and the LISC program to determine if there is "a fit" with these programs and the MM project area.

Residential Rezoning: The Projects Committee recommended to the full PAC that 1066 Market Street should not be re-zoned as residential. The PAC heard testimony from several individuals representing groups with an interest in 1066 Market. These groups included the SF Police Dept, musicians local #6, teamsters, theater management, film tech, electricians, Spur and representatives of the Shorestein company. The testimony was opposing the re-zoning. A PAC vote was called to approve the recommendation of the Projects Committee to not re-zone 1066 Market street. The Projects Committee recommendation was approved.

The question of re-zoning other sites in the MM area was discussion. A motion was made to send this item back to the Projects Committee for more information. This motion was approved.

Project Boundary: The question of placing the 10th and Market proposed housing site into the Project Area boundaries was discussed. The site is in the Survey Area. A motion was made to send this issue to the Projects Committee for a recommendation. The motion passed.

Approve Amended Projects & Program Language: The Projects Committee approved certain sections of the Projects and Programs document and presented them to the full PAC. Section A, Arts, Culture and Entertainment, Section B, Community Identity & the Build Environment, Section C, Community Services & Public Safety, Section D, Economic & Business Vitality were approved by the full PAC.

2002 PAC summaries

APRIL 2002

PAC member Byron Yee elected Chair. Marie Romero elected to PAC as a Commercial Tenant.

Agency Staff Report: Project Manager Lisa King announced that members of the SF Planning Dept. staff will join the SFRA staff to assist on the Special Use District and Planning Code amendments for MM. A briefing of the Chronicle Hotel was given to the group by SFRA staff. This residential hotel located on Mission Street is for sale.

Projects Committee Report: Proposed Project Area Boundary:

10th & Market Streets:

The motion to include the 10th & Market affordable housing site into the MM Project Area boundaries was approved.

North of Market Blocks:

The motion that the Agency plan another community workshop in the North of Market neighborhood and look into the planning materials that show what planning has been done in North of Market was approved. It was suggested that a sub-committee with an emphasis on planning be formed with members of the North of Market community be formed.

Amend Projects & Programs Language:

Section B – Community Identity and the Build Environment – approved.

Section E – Housing and Neighborhood - #2. Slight amendment to this section then approved.

Section E – Housing and Neighborhood - #4 Slight amendment to this section then approved.

Section F – Parking and Transit – No recommendation yet from the Projects Committee.

Establishment of Non-Profit Office Committee - King reminds the group that this new committee had been formed. It was decided that the non-profit office committee would report to the Projects Committee that would recommend and report to the full PAC.

Public Comment: Antonio White of Digital Deli presented the new MM website to the group. The site will go “live” in less than 2 weeks.

MAY 2002

Mitchell Salazar –District Attorney’s Office on Community Courts

Mr. Salazar announced that next month his office would open a Community Court at the Rose Hotel on 6th Street. The purpose of the Community Court is to discourage criminal violations that impact City neighborhoods. The Community Courts hear cases that are misdemeanors or citations for an infraction.

Agency Staff Report: Project Manager Lisa King reported that she met with the Tenderloin Future Collaborative, a community group North of Market. She will make a presentation to this group.

Projects Committee Report: Amend Projects and Programs

Section F – Transportation and Parking was approved.

2002 PAC summaries

JUNE 2002

New PAC members elected:

1. MaryEllen Churchill – Commercial Tenant
2. John Gollin – Commercial Property Owner (Representing 988 Market Street)
3. Anya Malka-Halevi – Residential Owner Occupant

Supervisor Aaron Peskin's proposed legislation and its effect on new development and the SF Mart:

Linda Corso of the SF Mart described the effect of this legislation on the SF MART and its consequences for the MM area. The SF Mart wants to reconfigure its space and if this legislation passes the SF Mart will be required to pay impact fees. There is a total of 1.2 million sq. ft. in the Mart, 400,000 sq. ft. is traditional office space the rest is showroom. The SF Mart is hoping to reconfigure to all office space. Corso asked the PAC to oppose the legislation as a PAC and as individuals.

The PAC concluded that it would ask Supervisor Peskin's office to present their position and after that presentation the PAC would decide if it would take a position.

AGI Presentation of Turk Street Development Proposal: Eric Tao of AGI Capital Group, Inc. presented his project description of 67-69 Turk Street parking garage. This project would include retail uses on the ground floor and provide 221 parking spaces. The PAC suggested that Tao build a coalition of support from North of Market groups and then come back to the PAC and present the project again.

Agency Staff Report: Project Manager Lisa King reported that the EIR was moving forward. Jose Campos of the Agency was presenting the MM project to a North of Market planning group this evening. SFRA counsel Penny Nakatsu spoke to the group about conflict of interest. She was scheduled to return for a more detailed presentation next month.

Projects Committee Report: This committee continues to work on the planning code amendments.

JULY 2002

New PAC members elected:

1. Ralph Perez – Residential Tenant
2. Anthony Faber – Residential Tenant

Supervisor Aaron Peskin's proposed legislation and its effect on new development and the SF Mart:

Mr. Wade Crowfoot of Supervisor Aaron Peskin's office spoke to the group about this proposed legislation. Supporters of the SF Mart stated that if this legislation passes the SF Mart's entitlement fees for reconfiguration could be between \$15 - \$18 million. Also, the cap on new offices in the City has been allocated and it may be years before the allocation is available the SF Mart may sit vacant for a long time.

A motion is put forth stating, We "Urge the Board of Supervisors and the Planning Commission not to include the SF Mart within this legislation as subject to the new definition of showroom." The motion passed. A letter to Supervisor Aaron Peskin was sent stating the PAC's motion.

Agency Staff Report: Olsen Lee – SFRA's Deputy Director of Housing presented the proposed amendments to the Agency's Housing Participation Policy.

Jose Campos of SFRA reported that four extra outreach meetings have been conducted with North of Market groups.

Penny Nakatsu – SFRA Deputy General Counsel returned to further discuss "conflict of interest."

2002 PAC summaries

AUGUST 2002

Projects Committee Report: Include the SF Mart (1355 Market Street) in the Project Area : A motion was made to include this site into the MM Project Area. The motion passed.

TNDC acquisition of 949 Market Street for Housing: This motion was made, "The MM PAC supports funding for land acquisition and predevelopment costs by the Redevelopment Agency for the total amount of \$9,902,085 as requested by TNDC and CHC." This motion was passed.

995 Market Street Signage Report: The purpose of this presentation was to obtain a letter of support to remove a vinyl sign that currently covers the historic Shasta Beverage sign painted on the south facing brick wall of 995 Market Street. A two-part motion was made. A.) The MM PAC endorses the removal of the illegal vinyl sign on the exterior of 995 Market Street. Motion passes. B.) The MM PAC endorses the restoration of the Shasta sign on 995 Market Street. Motion passes.

New PAC configuration: The Projects Committee presented the PAC with a draft of a new PAC configuration. This new configuration of categories and the number of seats will be the configuration of the Project Area Committee that will be elected once the MM Redevelopment Project is officially designated. There was discussion and this draft was returned to the Projects Committee for further revision.

Agency Staff Report: Project Manager Lisa King reported that the EIR is not falling back too far with the addition of the SF Mart. Also, she and PAC member Patrick Bands gave a presentation on MM to the SF Beautiful group.

SEPTEMBER 2002

Projects Committee Report: Changes to the Articles of Formation of the MM PAC – Project Manager Lisa King distributed the 2nd draft of the new PAC configuration. It was scheduled to be voted on at the October meeting.

Draft Cover letter for the "The Future of Mid-Market" document. Chair Yee distributed a draft letter, written by PAC staff, that introduces this document. It was scheduled to be reviewed and voted on at the October meeting.

Staff Report: Project Schedule: King distributed a schedule of meetings and agendas for sub-committee meetings and PAC meetings from Sept. to the end of the year.

OCTOBER 2002

Projects Committee Report: Articles of Formation for the MM PAC The draft configuration was re-distributed to the group. These amendments were made 1. "Keep the number of PAC seats to 37. Delete the Economic Development Org. seat; reduce the Civic Organizations seats from 2 to one, add two new seats which will be designated as North of Market Neighborhood Organization and South of Market Neighborhood Organization." 2. "Reduce the number of Residential Owner Occupant seats from 3 to 2 and add an Apartment Owners Organization seat." The Articles of Formation for the MM PAC document was approved with these amendments.

Approval of the Cover Letter for the "Future of Mid-Market" document. The draft cover letter was re-distributed to the group. There were minor changes to the letter. This motion was made; "The PAC approves the cover letter for the "Future of Mid-Market" document." The motion passed.

Approval of Accessory Use Housing for MM SUD: This motion was made: "The PAC recommends the document titled, Section 204.4 of the Planning Code is hereby amended to add a new subsection (d) and (e), as prepared by Brett Gladstone, and the attached questions, be sent to the City Attorney and the

2002 PAC summaries

October 2002 cont.

Planning Dept. for review and comment." The motion passed. Some questions attached to the document are:

- Will these accessory units be rent controlled?
- Can you convert back?
- What about eviction?
- Do we need a fiscal analysis?

Staff Report: Project Manager Lisa King distributed an information sheet titled, What is a Redevelopment Plan? Brief discussion followed. She reminded the group that October 29, 2002 had been scheduled for the Draft EIR hearing at the SFRA commission meeting.

OCTOBER 2002 SPECIAL MEETING

Projects Committee Report: Report from Non-Profit Office Space Committee: Mike Grisso distributed a Preliminary Feasibility Analysis and Lease vs. Purchase Analysis of MM Non-Profit Office Space. He briefly explained that a Class B building dedicated to non-profit tenants at below market rate rents would create a \$1.4 million financial gap as opposed to leasing the same space at market rate rents. Members commented that creative methods are needed to decrease this gap. Creating bonuses, incentives or using credits or FAR' that could be used by owners in the future may be possible solutions.

Discussion and comments on the Draft MM Report: Lisa King reported on the SFRA Commissioners' hearing on the MM Draft EIR. There was no opposition at the hearing.

Staff Report: Draft Redevelopment Plan: King distributed a DRAFT of the MM Redevelopment Plan. Several of the chapters of the Plan were discussed. It continues to be a work in progress.

Owner Participation and Business Re-entry Rules: Chapter 7 of the Draft Redevelopment Plan refers to this subject. It will be discussed in further detail at a later time.

Draft Future of Mid-Market Document: This is a "friendly" version of the MM Plan. PAC members were asked to submit their comments to PAC staff. PAC member Samuel Noily asked if the PAC would be able to review all supporting documents before Plan approval. He was especially interested in the SUD documents. He commented that this document is complicated and should be a stand-alone item on the agenda.

NOVEMBER 2002

Election of new PAC Members: Two PAC members who had exceeded the absence limitations were re-elected to the PAC. These were Malik Looper (CBO) and Patrick Simms (Residential Tenant). A new PAC member was elected - Mr. Kimo Crossman (Residential Tenant).

Projects Committee Report - Letter requesting a presentation from Agency Executive Director. Chair Yee presented a draft letter to the Agency Director Marcia Rosen. The PAC requested some changes in the letter. PAC voted to approve the letter with changes and be sent to Director Rosen.

Letter requesting the extension of the personal service contract for MSA - Chair Yee presented a draft letter to the Redevelopment Commissioners that stated the PAC's support of the extension of the personal service contract for MSA. The PAC voted to approve the letter.

Staff Report - Draft Redevelopment Plan: Lisa King requested the PAC to submit comments of the Draft EIR.

Text Draft of Future of Mid-Market Document: Mike Grisso discussed this document. He asked PAC members to review and send comments to PAC staff and readers. Comments were that this document should be used as a "marketing tool" to facilitate development.

DECEMBER 2002

Election of new PAC Member: Chair Yee introduced Linda Corso a candidate for a Commercial Tenant Seat. Ms Corso was elected to the seat unanimously.

Projects Committee Report - Review & Respond to Agency Director Rosen's Comments: Ms Rosen agreed to speak to the MM PAC at the January 2003 meeting. She also addressed three points in her response letter. These points were:

- The delay of the MM Special Use District
- Consideration of fiscal merger
- Request for the Agency's long term financial commitment.

Discussion followed and was wrapped up with two motions being made. First: "To have the Projects Committee and PAC send questions to PAC staff by December 20th and give Byron the authority to send them in response to Marcia Rosen." Motion approved. Second: "PAC requests from SFRA staff any and all documentation deferring responsibility for SUD legislation and zoning amendments to the Dept. of City Planning." Motion approved.

Comments on the Draft EIR Document: Lisa King reminded the group that any comments on this document needed to be submitted by Dec. 17th. The PAC "readers" shared their thoughts and comments on the EIR. They noted that there were a few factual errors and these would be noted.

Future of MM Document: Mike Grisso called for PAC comments on this document. There were text changes that Grisso noted. One comment was there were no limitations on Eminent Domain. King told the group that this would be discussed at the next Projects Meeting and encouraged high attendance.

Draft Redevelopment Plan/Draft Implementation Plan: King distributed an outline of the Draft MM Plan.

Public Comment: PAC member Carolyn Diamond told the group that she had been asked by the SFPD to write a letter regarding the proposed topless bar at 34 Mason Street. She had composed a letter of opposition and asked the PAC if it could be sent under the PAC heading. It was determined that it could be and the following motion was made: "Send this letter opposition for a new adult entertainment venue to the SF Chief of Police." The motion was approved.

PAC SUMMARIES 2003

JANUARY 2003

Election of PAC members: Mr. Bill Tsatsoulis of the Arts Institute of California located at 1170 Market Street was elected as a **Commercial Tenant**. Mr. Tsatsoulis replaced Susan Stryker.

Next , Mr. Tom Hart of the Shorenstein Co. was elected to represent his organization's property in the Mid-Market area. Mr. Hart was elected as a **Commercial Property Owner**. He replaced Rod Kiracofe.

Redevelopment Agency Executive Director Marcia Rosen: Question and Answer Session

Agency Director Marcia Rosen spoke to the MM PAC on a variety of subjects relating to MM Project. Ms Rosen appeared at the request of the PAC

FEBRUARY 2003

Presentation by SF County Transportation Authority – The Market Street Study

Marie Lombardo and Adam Leigland of the County Transportation Authority gave a brief overview of the on-going Market Street Study. This study is focused on issues of transportation on Market Street and has four main goals.

- To improve pedestrian safety and circulation
- To improve bicycle safety and circulation
- To improve transit reliability and travel time
- To accommodate needed motor vehicle traffic

The MM PAC will be notified of future community workshops.

Projects Committee Report:

Eminent Domain – The Projects Committee is continuing to craft the limitations of eminent domain in the MM project area.

Non-Profit Office Committee – No recommendations have been made yet to the Projects Committee. The data has been gathered on the existing non-profit presence in MM and how it compares to a decade ago.

Building Code Amendment Proposal – There was no discussion of this proposal.

Agency Staff Report:

Lisa King announced that the Agency had hired a part-time person to work on the MM SUD. Mr. Pedro Arce, a former City Planner, will work 3 days a week through June on this project.

MARCH 2003

Presentation: State Compensation Building Development Plans

State Compensation Insurance Company has plans to build an office building on 9th Street adjacent to their existing building. The 9th Street site currently serves as a parking lot. State Comp wants to combine all of their employees into the old and new building. They currently have 1600 employees in the existing building and 600 employees in other offices around San Francisco.

The new building is eleven (11) stories high, approximately 267,000 sq. ft. and will have a new loading dock off of 9th Street. There will be a bridge connecting the two buildings together at the 2nd story level. Between the two buildings is public open space. There will be parking two levels below grade.

The anticipated completion date is December 2005.

Building Code Amendment Proposal

PAC member Brett Gladstone brought a resolution to the PAC asking the Redevelopment Agency request that appropriate City personnel draft amendments to the SF housing code and the SF building code that would reduce the cost of converting existing office space in the proposed MM Special Use District into group housing, SRO units, congregate care facilities, dwelling units, commercial units with accessory living space and other forms of residential uses.

Gladstone made a motion that this resolution be approved by the PAC.
The motion was approved by the PAC.

Agency Staff Report

Lisa King distributed a condensed version of the SFRA for the Mid-Market area. Funding proposed for FY 2003-2004 include:

Affordable Housing	\$5,000,000
Economic Development	\$150,000
Mid-Market PAC	\$80,000
Legal Services	\$25,000

Jose Campos presented a brief over view of Senate Bills 211 and 2113. These Senate bills will affect the Redevelopment Agency's budget.

King introduced Mr. Pedro Arce. Mr. Arce has been hired by the Agency to work on the MM Special Use District.

APRIL 2003

Presentation: Urban Solutions

Mr. Roger Gordon of Urban Solutions presented his program to the PAC. He is working in the South of Market neighborhood with the Redevelopment Agency with his program "Six on Sixth". The goal of this program is to place 6 businesses on Sixth Street.

The program offers incentives provided by the Redevelopment Agency in coordination with the South of Market Project Area. These incentives include loans, forgivable loans and design assistance. These are available to business and property owners on Sixth Street between Market and Harrison Streets and business owners looking to open businesses on Sixth Street.

Projects Committee Report

Lisa King discussed the RFQ that will be published in June for the MM PAC administrative contract.

Agency Staff Report

King reported the Plan Adoption documents are making good progress. She also noted that the Sangiacomo organization will purchase a small piece of land locked property on Jessie Street between 7th & 8th Streets. The Sangiacomo organization owns the surrounding properties.

MAY 2003

Election of New PAC Member Mr. George Williams of SPUR was elected to replace Brett Gladstone of SPUR. This is a CBO seat.

Presentation: Trinity Plaza- Plans for a new residential development at 8th & Market Street: A team of individuals led by Bernardo Fort-Brescia of the firm Arquitectonica presented a general overview of the new plans for a residential complex at 8th & Market. Some of the highlights were:

- Size- Approximately 4 acres
- Composition: 5 buildings with a total of 1,410 apartments.
- Rental Rates: Moderately-priced. Rates to be determined by market rates at completion.
- Retail: Over 20K sq.ft. of new street level space along Market, Mission & 8th Streets.
- Parking: 1,350 parking spaces including residential and short term, primarily below ground.
- Design: Tallest building will be on corner of Mission St. Height descends toward Market St.
- Open Space: Half of the site will be devoted to open space for residents.
- Construction Time: Done in 4 phases beginning in 2004. Each phase will take about 24 months. Completed construction is anticipated for 2012.
- Configuration of units: 80% of units will be studios. A few one & two bedroom units.

Projects Committee Report

Eminent Domain Recommendation: Lisa King distributed a Draft of the PAC Recommendations on Eminent Domain. There was discussion and some changes were recommended. The document would be returned to the Projects Committee for further refinement.

King also distributed to the PAC a list of changes to the Brown Act. She asked all members to review these changes.

JUNE 2003

Election of New PAC Member: Walter Jones of Seligman Enterprises was elected to the PAC to replace Mr. Daniel O'Leary of the same organization. This seat is a Commercial Property Owner seat.

AGI Project – 1160 Mission Street Update Mr. Eric Tao of AGI Capital gave a brief overview of their project. The project contains: 250 units of housing, 8,000 sq ft of retail, 500 parking spaces (with conditional use). The EIR is studying wind, shadow and traffic. The EIR will be open to public review and comment in one month. AGI is seeking a negative declaration.

Planning may have issues with the number of parking spaces. There is one space per housing unit (250) and another 250 spaces for short term public use.

PAC member John Elberling requested copies of the negative declaration document for all PAC members.

Discussion –Trinity Plaza Plans Last month the PAC saw a presentation on the proposed Trinity Plaza Project. Now the PAC has the opportunity to discuss the project. Lisa King suggested a Round Robin approach. Each PAC member commented on the project. Most comments were positive but there were concerns about losing affordable housing. Also, many expressed the need for large retail, i.e. a grocery store in the project.

Projects Committee Report Lisa King urged all PAC members to attend the Projects Committee meetings. Eminent Domain limitations are continuing to be drafted.

Agency Staff Report King informed the group that Mr. Pedro Arce will continue to work on the MM Special Use District until the end of June.

The PAC voted to support the Market Street Association to continue its staff work for the PAC.

King announced staff changes at the Agency. The new Deputy Director of Project and Programs is Mr. Leamon Abrams and the new General Counsel is Mr. James Morales.

JULY 2003

Election of New PAC member Mr. Eric Tao of AGI Capital, which has a project at 1160 Mission Street, was elected to the PAC. He replaced Mr. John Gollin in a Commercial Property Owner seat.

TNDC Project -10th and Mission Streets PAC member Craig Adelman led the team that presented the project at 10th and Mission Streets. This is a mixed-use project that includes affordable housing, offices, retail and parking. It is a two acre site along the western side of 10th Street, between Market and Mission. The preliminary plans outline a 24-story office development on the southwest corner of Tenth and Market Street that will be occupied by the City of San Francisco.

The residential element will be done in phases. The first phase will be a 14-story tower containing 180 affordable units for seniors. The second phase will be a 21-story tower and will likely be a mixed-income development with approximately 220 units.

They expect to be under construction within three years and hope to have all funding in place so both phases can be started at the same time.

Projects Committee Report Mid-Market Special Use District - Lisa King discussed the issues that are still in the Projects Committee. She announced that Pedro Arce's time has been extended.

Eminent Domain – King distributed a second draft of the PAC recommendations on Eminent Domain. It was suggested by PAC member John Elberling that a Special PAC meeting for property owners be called to get their input on the specifics on the Eminent Domain policy. A motion was made to this effect and was passed. A special meeting will be arranged.

Agency Staff Report Lisa King announced that the certification for the Mid-Market EIR will be in the late Fall.

PAC Staff Report PAC staff listed the meetings they had attended in the past month.

AUGUST 2003

Election of New PAC member Mr. David Wilbur, representing the bicycle Coalition, was elected to the PAC. Mr. Wilbur replaces Kat Foran, in the Commercial Tenant seat.

690 Market Street & 942 Market Street- A presentation on new housing developments The Hunter Group is proposing to develop both of these properties as residential properties. The following are highlights of each property:

690 Market Street

Built in 1890 as the Chronicle Building
"Metal cladding" was placed on the building in the 1960's
This new project will call for an addition of eight floors
There will be 164 units on 24 floors
There will be parking with valet which will bring the parking ratio to 1 to 1

942 Market Street

Historic building
Constructed in 1906
There will be 33 units on seven floors
Resident's entrance will be on Mason Street
Mix of studios, on and two bedroom units
Five units per floor
No parking
Ground floor commercial tenants will be retained.

Completion date of these projects at the earliest will be 2006.

Projects Committee Report Eminent Domain – The PAC approved a letter of invitation to be sent to all property owners in the area to attend a Special MM PAC meeting to discuss the proposal on Eminent Domain.

Consideration of AGI Capital Project at 1160 Mission Street - The PAC was given a draft letter that stated the PAC's support of the project yet asked for modifications. This draft letter was modified and then approved by the PAC. The letter will be sent to the San Francisco Planning Commission.

Comments and Letter of the scope and content of the EIR for 1177 Market Street (Trinity Project)
The PAC discussed a draft letter that would be sent to the San Francisco Planning Dept.
Representatives of the Trinity Project are present to answer questions and comment on the draft letter. No resolution is reached. The discussion will continue and another draft letter will be written.

SEPTEMBER 2003

Projects Committee Report

Discussion of the September 24th Special PAC meeting for property owners.

PAC members volunteered to lead discussions on outlined subjects for the property owners meeting focusing on eminent domain. The format of the meeting was approved.

Review and approval of the 1177 Market Street Project letter

Another draft of the letter for the 1177 Market Street Project (Trinity Plaza) was distributed. After discussion and amendments to the letter it was passed by the PAC. The letter will be sent to the SF Planning Department.

Agency Staff Report King discussed with the group the timeline for the MM Redevelopment Project. It was the consensus of the PAC that our Project would not be ready to present to the Redevelopment Commission until the beginning of 2004.

SEPTEMBER 24, 2003

SPECIAL PAC MEETING FOR PROPERTY OWNERS TO DISCUSS EMINENT DOMAIN

There was a good turn out at this Special Meeting. Agency staff had prepared a power point presentation and PAC members lead the discussions on outlined topics. After the presentation there was a long question and answer period.

Those that attended the meeting were added to the regular PAC mailing list.

OCTOBER 2003

Election of new PAC member: PAC members that had missed four meetings were given the opportunity to reclaim their seat and be re-voted onto the PAC. At their request the following PAC members were re-elected: Patrick Banks (Commercial Property Owner) Mark Casagrande (Commercial Property Owner) Richard Livingston (SBO-Arts and Cultural Org.) Patrick Simms (Residential Tenant)

973 Market Street: Mr. Ralph Amato, potential owner and developer of 973 Market Street, (located on Market Street between 5th & 6th) described his proposed project. He anticipates remodeling the building to house several floors of entertainment, keep current office space, provide 24 hour security at the front entrance of the property and provide parking for events at a Stevenson Street lot or at the 5th & Mission garage. Q. & A's followed his presentation. A vote by the PAC approved a letter of support for this project.

Agency Staff Report: Jose Campos reported that the MM EIR had been certified. There was some discussion of next steps. Members of the Projects Committee reported that the draft of the Special Use District was nearly completed.

PAC Staff Report: Staff reported on several community meetings they had attended. They also gave a brief update on happenings in the area.

NOVEMBER 2003

PAC Announcements: Eric Tao announced that the AGI Capital Project for 7th & Mission Street would be heard at the Planning Dept. on Dec. 4th. He asked that PAC members write a letter of support for the project. He also announced that the project's parking ration had been reduced to 1 to .75.

Election of New PAC Member: Mr. Duane Carlson of Trinity Properties was elected to a **Commercial Property Owner** seat. He replaced Ms Tracy Aubuchon. Mr. Justin Logan of Jossey Bass was elected to a **Commercial Tenant** seat. He replaced Ms Marie Romero.

Letter of Support: Mr. Ralph Amato returned to the PAC and brought a draft letter of approval. (After last month's meeting the Agency counsel suggested that the approval of a letter had to be noted as an action item.) The letter was discussed and some additions were made. The letter was then approved.

Project Committee Report: Lisa Zayas-Chien reported that the Projects Committee was wrapping up the SUD document. All PAC members will receive this document via mail. She asked that everyone read it closely and send comments and questions to her.

Presentation of the Preliminary Report & Financial Feasibility Analysis: Zayas-Chien distributed a document which projected an assessment of revenues that the MM Project could generate over its 30 year life. Review of this document brought up other topics for future discussion. These were: the development of an Implementation Plan, a more comprehensive estimation of revenue considering the current projects on-line in MM, a list of projects that are currently on-line or being proposed.

Agency Staff Report: Zayas-Chien distributed a timeline schedule for MM documents and meetings. A request was made to dedicate a full PAC meeting to the review of the SUD.

DECEMBER 2003

PAC Announcements: Carolyn Diamond announced the final Market Street Transit Study workshop would be held on Dec. 11th. John Elberling announced that there would be a celebration of the rebirth of the Delta Hotel at 6th & Market on Dec. 17th. The Delta Hotel will be dedicated as the Bayanihan House.

Support Letter: State Compensation Insurance Fund's plan to build an office tower on 9th Street between Mission and Market Street was reviewed by the PAC. Questions regarding the project were addressed by Denise Burian of SCIF. Her request for a letter of support was turned over to the Projects Committee.

Presentation of the 949 Market Street Project: Mr. David Choo of the California Mortgage & Realty Inc. gave a brief presentation of the plans for 949 Market Street. The proposal is to construct a 12 story structure to include 242 residential units. There are an equal number of parking spaces and there is ground floor retail space. There was discussion of various aspects of this project and it was decided that once the developers had more information they would return to the Projects Committee.

Report on the Central Freeway: Lynn Valente presented information to the group about the new off-ramp of the Central Freeway. This off-ramp touches down on Market Street. Concerned citizens are asking the City to halt the construction of the new off-ramp until the Strategic Analysis Report (SAR) produced by the Transportation Authority delineates the ramifications of changing the touch down point of the off-ramp. Valente had a prepared letter asking the Board of Supervisors to work with State officials to delay the ramp construction to allow a full study of the SAR and listen to input from all communities. The PAC approved a motion to sign and send the prepared letter.

Projects Committee Report: Zayas-Chien and Pedro Arce presented to the group the MM Special Use District (SUD) draft. Discussion followed. The conclusion of this discussion resulted in the following plan. The Projects Committee will meet on Monday to discuss the major issues raised at this meeting. The "final" draft will be sent to everyone prior to the Jan. 2004 PAC meeting. The January meeting will be dedicated to the approval of the SUD so it may be sent on to the Redevelopment Agency and the Planning Department.

This concluded the December 2003 meeting.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and the role of the accounting department in ensuring the integrity of the financial statements.

2. It also highlights the need for regular audits and the importance of having a clear understanding of the company's financial position at all times.

3. The second part of the document focuses on the importance of budgeting and forecasting, and how these tools can be used to manage the company's resources effectively.

4. It also discusses the importance of having a clear understanding of the company's cash flow and the need to maintain a healthy balance sheet.

5. The third part of the document discusses the importance of having a clear understanding of the company's tax obligations and the need to consult with a tax professional to ensure compliance.

6. It also discusses the importance of having a clear understanding of the company's legal obligations and the need to consult with a legal professional to ensure compliance.

7. The fourth part of the document discusses the importance of having a clear understanding of the company's financial goals and the need to develop a strategic plan to achieve them.

8. It also discusses the importance of having a clear understanding of the company's competitive position and the need to develop a marketing strategy to gain a competitive edge.

9. The fifth part of the document discusses the importance of having a clear understanding of the company's financial risks and the need to develop a risk management strategy to mitigate them.

10. It also discusses the importance of having a clear understanding of the company's financial opportunities and the need to develop a strategy to capitalize on them.

Mid-Market PAC Summaries 2004

January 2004

PAC Announcements: Duane Carlson noted that the Trinity Project EIR scope of work had been revised. The EIR will include analysis of: displacement of tenants, a mid-sized super market alternative, and a no-displacement alternative.

Election of a New PAC Member: Chair Yee announced that PAC member Walter Jones of Seligman was no longer with this company. Daniel O'Leary, who was the former Seligman representative on the PAC, was present and asked to be "re-elected" to the seat vacated by Jones. O'Leary, who left the seat for family reasons, was re-elected. This seat is in the **Commercial Property Owner** category.

MM Special Use District: This item was referenced at the Dec. 2003 meeting and all PAC members were asked to review the SUD and submit their questions and concerns prior to this meeting. Lisa Zayas-Chien led the discussion on the items that had been submitted. PAC members Duane Carlson and David Wilbur waived their submitted questions due to the lateness of the hour. Zayas -Chien assured everyone that this was not the final draft and all questions would be heard before the final document was approved. The agenda item for this meeting was to approve the submission of this document to the Redevelopment Agency and the Planning Department. The motion was, "Adopt the SUD as is with the changes made at the January 13th PAC meeting." This motion was approved and the SUD was submitted to Redevelopment and Planning.

Agency Staff Report: Zayas-Chien had two brief announcements. First, a Planning Department person will come to the PAC meeting to discuss the SUD, next, she distributed copies of the Working Draft of the MM Redevelopment Plan. This document will be reviewed in full by the PAC in a dedicated PAC meeting.

February 2004

PAC Announcements: PAC member Duane Carlson of Trinity Development announced that the proposed "NO Demolition" legislation by Supervisor Chris Daly had been approved by the Board of Supervisors. Carlson stated that this would end Trinity's efforts to build on the 8th & Market site.

Election of a New PAC member: Mr. Wayne Wong of NRG Energy Center was elected to a **Commercial Tenant** seat.

Letter of Support: Once again the PAC reviewed a new drafted version of a support letter for the State Compensation Insurance Fund's proposed new building on 9th Street. PAC members were sent this new version prior to this meeting. A motion was called to approve this letter. The motion passed. PAC staff will send the letter to the Planning Commission.

BART's TOD Guidelines: Mr. Peter Albert of BART presented Transit Oriented Development (TOD) guidelines. He noted that BART would be available to advise on any planned developments around the BART transit stations in the Mid-Market area.

Expanding the MM Project Area Boundaries: Jim Reuben and Jeffrey Heller, representing the owners of 1415 Mission Street, presented a request to the PAC to expand the boundaries of the MM Project Area and/or the MM SUD area. This site is currently occupied by a Michelin Tire Store. The tire store will not be renewing its lease on the property. The owners would like to develop the soon to be vacant site with residential units. If the property were within the MM Project boundaries or the MM SUD boundaries more housing units would be allowed. Discussion followed and Reuben and Heller stressed that they did not want the expansion of boundaries to delay the process of approval of the MM Project. They offered to complete all the work necessary to expand the boundaries. There were no objections to the possible change of boundaries from the PAC. The presenters were asked to obtain the necessary information and approximate timeline and bring this information back to the Projects Committee for review.

Agency Staff Report:

Senate Bill 2113: Lisa Zayas-Chien gave a brief overview of SB 2113. This Bill would allow for an extension of collection of tax increment monies from Redevelopment Plans developed before 1994. The tax increment revenue collected would be used to build affordable housing. This Bill would not extend the life of a Project Area; it would address the extension of life of the bonding capacity and a fiscal extension. To qualify for the extension there must be a housing element plan in place.

Next Zayas-Chien distributed information on MM's fiscal 2004-2005 budget. The MM budget shows \$424,926 for MM Planning efforts. More information on the budget will be provided later.

PAC Staff Report: Lynn Valente reported that she attended the Tenants Action Coalition meeting in North of Market and gave that group an update on MM progress.

March 2004

1400 Mission Street Senior Housing: This is one element of a larger project being developed by TNDC and Citizens Housing. The 1400 Mission Street segment is a senior housing building. There are two other buildings, one residential and one an office tower. The senior residential element is 15 stories in height, 13 stories are residential and 2 stories are public and common areas.

The presenters of this project asked the PAC for a recommendation of approval on the design of this project. The PAC did not feel that enough information was available to support the current design and no action was taken at this time. It was recommended that the presentation be given again at a later date when a more complete design was available.

10th & Mission Street Project:: This project is another development on 10th Street that is being sponsored by Mercy Housing. The project consists of two elements, one family housing and one senior housing. An over view of the project was given to the PAC. The whole project is bound by 9th, 10th, Mission and Jessie Streets. The project includes plans for commercial uses on the ground floor along Mission and 10th Streets. There are proposals for retail, a diner, a boys and girls club and a space for cultural activities on street level.

No action was taken on this project. The presenters agreed to return to the PAC when the project had more complete details.

Recommendation of Boundary Changes to the Project Area and/or the SUD:

This expansion is being requested by two properties: 1415 Mission Street and City Center (4 lots). This issue was discussed at the February 2004 PAC and the petitioners were asked to bring back the necessary information and approximate time frame to extend the boundaries. This information was given to the PAC and discussion followed. Agency staff did not recommend extension of the boundaries stating it could set a precedent of extending the boundaries which is costly and time consuming.

The PAC put forth two motions on these issues. The first motion: "Include both 1415 Mission Street and City Center in the MM Special Use District contingent on the understanding that if there is opposition from the community within 30 days we will re-visit the issue." This motion passed 15 ayes, 0 no, 1 abstain.

The second motion: "Include both 1415 Mission Street and City Center in the MM Project Area contingent on the understanding that if there is opposition from the community within 30 days we will re-visit the issue."

This motion passed 15 ayes, 0 no, 1 abstain.

Agency Staff Report: Lisa Zayas-Chien distributed a "Program description, achievements and goals for the MM Survey area from July 1, 2004 – June 30, 2005.

April 2004

Projects Committee Report:

Discuss feedback from the South of Market community regarding boundary changes. The MM PAC voted to place new properties at 10th and Mission Street (1415 Mission St.) into the MM Project Area boundaries contingent on the understanding that if there was opposition from the South of Market community within the next 30 days the issue would be re-visited.

Representatives from both properties asking for inclusion in the MM Project Area made presentations to the SoMa Leadership Council co-chaired by Mr. Jim Meko. Mr. Meko was present at this PAC meeting to discuss the expansion of the MM Project Area. He stated that the Council did not have a problem with the addition of 1415 Mission Street into the boundaries. It was agreed that another meeting with the SoMa Leadership Council would be arranged to discuss the addition of the City Center into the MM Project boundaries.

TNDC/Citizens Housing design review: TNDC/Citizens presented their project to the full PAC at the March 2004 and they were asked to give a more complete presentation to the PAC's sub-committee. They presented to the sub-committee on April 1st and a letter recommending the basic concept design of this project was drafted after this presentation. The full PAC was e-mailed this letter in advance of this action item. A vote to approve this letter of recommendation was taken and the letter was approved. The letter will be sent to the Redevelopment Agency.

Present Projects Committee recommended changes to the MM Redevelopment Plan: Each PAC member had a copy of the recommended changes to the MM Redevelopment Plan. Each comment was discussed and either approved, forwarded to the Agency's legal counsel for consultation, or the language was modified. After this item by item discussion the following motion was approved: "Move to accept with changes that were made, with the exception of item #24, and forward these comments to the Redevelopment Agency for incorporation into the Draft Mid-Market Redevelopment Plan or for clarification."

Agency Staff Report: Zayas-Chien reported that the expansion of the MM boundaries had not begun. She also reported that issues of the MM Special Use District will begin with the Planning Dept.

May 2004

Mid-Market Economic Development Strategy: Lisa Zayas-Chien announced that the Agency is looking at aspects of economic development and what would fit for MM. Mr. Roger Gordon of Urban Solutions spoke to the group. Currently Urban Solutions is working on projects in the South of Market Area. He identified three possible projects for MM:

- Give small businesses technical experience
- Develop an Economic Development Plan
- Research and Plan a theater/arts/cultural district

Mid-Market Boundaries: Lisa Zayas-Chien re-visited the issue of expanding the MM Project boundaries. The Agency staff and the MM PAC have both approved the addition of 1415 Mission Street. The other parcel, known as City Center, consists of 4 lots, 2 of the lots are in the boundaries, the issue is to include the two other lots. Zayas-Chien noted that even though the MM PAC has given its approval to add these two lots the Agency is not recommending the inclusion of both lots, the Agency is recommending the inclusion of only one of lots. The Agency must make a legal case for inclusion and both lots are not in blighted condition and they are not un-reinforced masonry buildings. After discussion Sam Noily, PAC member, and owner of the property, agreed to the inclusion of just one lot. The result of this will start the necessary steps to include one more of City Center's lot into the boundaries.

Progress Report on MM plan and MM Special Use District: It was agreed that a timeline be developed to see where we are and where we are going.

June 2004

The Luggage Store Gallery -1007 Market Street:: Mr. Daryl Smith of the Luggage Store Gallery gave a brief history of this unique local non-profit organization.

Two years ago the Luggage Store Gallery received a grant from the Mayor's Office of Community Development for capital improvements. However, permits could not be obtained for this work until access and fire code issues were addressed. The funds are being raised to address these issues but in the meantime the MODC funds that were granted two years ago for the capital improvements is in jeopardy of being lost. Mr. Smith asked the PAC to help save the MOCD funds committed two years ago by writing a letter of support for the Luggage Store to MOCD. No action was taken at this time on this request.

Agency Staff Report: *PAC staff FY '04 – '05 contract renewal and budget.* Lisa Zayas-Chien reported that the PAC staff contract with the Market Street Association was being considered for renewal. She noted that the '04-'05 contract was the same amount as the current contract. She noted in the future there may be more funds available for extra staff to cover anticipated additional

sub-committees. There was discussion on the format of the minutes and polling members and guests to determine the best way for people to receive PAC information. There was no action.

Progress Report on MM Redevelopment Plan and MM SUD: Zayas-Chien reminded the group that comments on the new Draft MM Redevelopment Plan were due on June 23rd. She also reported that she was working with City Planners on getting their comments on the MMSUD in advance of the June 28 Projects Meeting.

Project Schedule: Zayas-Chien distributed a Projects Committee meeting tentative schedule. This included the following important target dates:
June 23 – Comments due on Draft MM Redevelopment Plan
August 20 – Assessor's office equalizes the assessment rolls. This information informs tax increment projections and financial feasibility analyses
December 1 - Current target date for completing entirety of Plan adoption process

July 2004

PAC Announcements: Chair Yee announced that Malik Looper of Goodwill Industries had resigned the Goodwill seat. He noted that there is now an opening for a Community Based Organization- Social Service – on the MM PAC

Election of PAC member: Dan O'Leary of Seligman Western Enterprises had requested his colleague at Seligman, Mr. Will Amett replace him. The PAC voted and approved this replacement.

Approval of a letter of support for the Luggage Store: Mr. Daryl Smith of the Luggage Store had asked the PAC for a letter of support at the June 2004 meeting. The PAC approved a letter and PAC staff was directed to send it the the Mayor's Office of Community Development.

34 Mason Street: Mr. Terrance Alan gave a presentation of his 34 Mason Street project, the Music Incubator & the Blue Cube. The project is a combination of education and entertainment. The third floor of the building will house a school program; the second floor is an entertainment laboratory where creative and innovative ideas are put to the test; the first floor is the "economic engine" where there will be a performing restaurant and a rotating gallery which will blend technology with floods, entertainment and arts.

MM Special Use District: Zayas-Chien reported that the Projects Committee has been working with the Planning Dept. on the SUD. The parking issues are being discussed first. The Planning staff has committed to work with the PAC and Redevelopment on a weekly basis. She introduced Marshall Foster of the Planning Dept. There was a brief question and answer period.

- MM Redevelopment Plan – Working Draft: Zayas-Chien told the group that the comments on them Redevelopment Plan need to be formally forwarded to staff and then to the Agency. This motion was made: "Move to submit comments on the MM Redevelopment Plan to Agency staff in time for staff to make comments in writing by August 2nd." The motion passed unanimously.

August 2004

Election of New PAC Member: Ms Sam Alicia Duke representing Planning for Elders, a social service organization was elected to the MM PAC. This fills the seat vacated by Goodwill Industries.

Hastings Institutional Master Plan: Mr. David Seward presented an update on the Hastings Plan. There are three elements in this master plan.

100 McAllister Street –

- Maintain and upgrade this residential facility
- Evaluate the possibility of utilizing the Great Hall as a community serving performing arts venue.

200 McAllister Street –

- Code compliance upgrades will begin in June 2005
- Funding is being sought to upgrade and improve the law library which is located in this building

Joint Mixed Use/YMCA Project

Hastings and the YMCA are exploring a joint project. The conceptual idea is the YMCA would sell 220 Golden Gate Ave, its' current location, and the proceeds of this sale would be re-invested into a joint project with Hastings. The new project located at 367-399 Golden Gate Ave. would include:

- An athletic/fitness center with pool, gym, outdoor plaza, community and social space of approximately 50,000 sq. ft.
- Student housing for approximately 20 to 40 students
- Ground floor retail for a coffee shop, restaurant
- Parking of approximately 450 stalls and secure bicycle lockers

Mid-Market Special Use District: Marshall Foster of City Planning gave an update on the work the Planning Dept. has done with the MM Projects Committee. He distributed a handout titled Update on the Mid-Market SUD dated August 11, 2004. The discussion focused on the issues yet to be resolved. These issues are: Accessory Uses

Far Incentives

Residential Parking

Public Parking

The Projects Meetings will continue to center around resolution of these issues and a final draft document of the MM SUD.

Mid-Market Redevelopment Plan Update: Lisa Zayas-Chien noted she would have formal written responses to the PAC's comments plus an updated draft of the MM Plan on Monday at the Projects Meeting. She reminded the group of the MM workshop at the Redevelopment Commission hearing on August 17th.

Agency Staff Report: Zayas-Chien distributed a schedule of Aug/Sept 2004 meetings. By Sept. she hopes that Redevelopment documents are ready for public review.

PAC Staff Report: Zayas-Chien and Lynn Valente reported that they had made a presentation on the status of MM to the Tenderloin Futures Collaborative group this morning.

September 2004

Election of new PAC Member: David Addington, owner of 1028 Market Street, was elected to a Commercial Property Owner seat. He replaced Duane Carlson of Trinity Properties.

Mid-Market Special Use District (SUD): Marshal Foster of City Planning told the group that the work on the MM SUD was continuing. There were basically two issues to be resolved. These issues were: Residential Parking and FAR Incentives. Discussion on these issues included Transferable Development Rights. The PAC had suggested no cap limits on FAR's but the question was if this would create an unintentional undermining of TDR's. Discussion continued on a variety of subjects and issues in the SUD. These included: finding economic stimulants, where the non-housing development money would come from, obtaining the "Bloomingdale's" money, funding TDR's to exempt FAR's, and buying height. The TDR discussion would become its own agenda item. There were various questions and comments on TDR's including the comment that Mid-Market is the wrong district to subsidize Redevelopment and require the purchasing of TDR's. TDR purchase should go to Rincon or South Beach, projects that have deeper pockets. Mid-Market needs the resources.

Mid-Market Redevelopment Plan: Jose Campos led the discussion on comments on the Redevelopment Plan. The first item was a review of Goal A 1. This goal states: "Maintain or replace one-for-one the overall total amount of affordably priced housing, both private and non-profit, that existed within the Project Area when the survey area for the Redevelopment Project was designated in 1995." The discussion was on whether the number of units to be replaced is an accurate number since it was designated on a survey of 1995. The total number of affordable units was 1,221, the number of existing affordable units was 500, therefore the number of units that need to be replaced is 721. Some argued that 1221 is the magic number. This will ensure that the same number of units are affordable at the end of the MM Project as there were in the

beginning of the planning of the MM Project in 1995. This will diffuse the argument that MM will be gentrified. This item will continue to be discussed.

Other comments on the MM Plan included questions on parking and % of inclusionary housing. These items will also be discussed at Projects Meetings.

Agency Staff Report: Campos discussed the schedule for Project approval. It is anticipated that the MM documents will be completed early in 2006. Campos noted that on August 17th there was a MM information workshop at the Redevelopment Commission meeting and he encouraged more PAC members to attend future workshops to show their support of the Plan. He announced that on Oct. 17th there would be an informational hearing regarding the Plan and the MM SUD at the Planning Commission and encouraged PAC members to be there.

The Preliminary Report and the Implementation Plan are nearly complete.

PAC Staff Report: Carolyn Diamond reported that the survey of how to contact PAC members and guest had been completed. Lynn Valente reported that a second TL Summit had been scheduled on Sunday, Sept. 26th from 2 -6 pm. The summit will be broadcast live on KPFA 94.1 FM radio.

October 2004

PAC Announcements: Anthony Faber reported that the City is hosting a three day workshop on the re-design of Hallidie Plaza. George Williams reported on a presentation given to the Projects Committee by the sponsors of the 10th & Market project. This project, being developed by TNDC, will appear before the Planning Commission on October 14th. The Commission will review the proposed 10th & Market Special Use District. This SUD differs in at least two ways from the MM SUD. The building design is a bit different and the parking is not uncoupled.

Election of new PAC members: Tom Hart (Commercial Property Owner), Mark Casagrande (Commercial Property Owner) and Richard Livingston (CBO – Arts & Cultural Organization) were re-elected to their seats. Each had surpassed the number of absences allowed by by-laws. Kathleen Diohep of Art House was elected to the PAC filling a vacant seat in the category of Commercial Tenant. Art House is located at 1360 Mission Street. Nerea Iturriotz was elected to a seat in the category of Residential Tenant. Iturriotz resides at 1169 Market Street.

MM Special Use District: Marshall Foster of the Planning Dept. gave a updated the group on the status of the MM SUD. To date the issues regarding public parking and the reuse of historic buildings have been resolved. Issues still on the table are floor area ratio (FAR) and residential accessory parking.

Discussion regarding FAR exemptions followed. This discussion included questions and comments on below market rate housing being exempt from FAR and how FAR incentives would effect the TDR market. Incentives for arts and culture was brought up and the idea of creating a TDR-like program where a developer would buy "arts credits" for FAR bonuses was discussed. The money used to purchase "arts credits" would go directly into a fund for art and cultural development in MM. More discussion on these issues will be held at the Projects Meetings.

MM Redevelopment Plan and Agency Staff Report: Lisa Zayas-Chien presented this report. She noted that staff was going over comments on the MM Plan one more time to make sure all were addressed. She announced that she has obtained the new numbers from the Assessor's Office for 2004-2005 and she will be putting these into the new tax increment projections. Also, the boundary map has been updated with the State.

Zayas-Chien spoke to Agency staff about the issue of the Agency purchasing TDR's and selling them back at a discounted price to developers. Initial Agency reaction was that the Agency purchasing TDR's was not a problem but the discounting and re-allocation may be problematic. This was debated and it was determined that this may be an issue that would go to the Projects Committee for more discussion.

The question was asked if the Agency had the funds to start a survey of art spaces in MM. Zayas-Chien stated she thought the funding was available and was open to suggestions. Next the question was asked if the Agency had the funds to re-survey the number of affordable housing units in MM. There was no definitive answer. This subject will be discussed at Projects Committee.

November 2004

Charles Chase –SF Heritage: Mr. Chase described the Transfer of Development Rights (TDR) program in San Francisco. It is a compensation for building owners who cannot develop because of the historical status of their building and the restrictions placed on it. The purchasing of TDR's allows new development more Floor Area Ratio (FAR) which allows for greater density in a project. It is a way of compensation to historic building owners. Chase also briefly discussed other incentive for historic preservation that included conservation easements and the Mill Act. There was a brief question and answer period with Mr. Chase.

MM SUD and MM Plan: Lisa Zayas-Chien distributed charts showing MM Tax Increment Projections for the 2004-2005 Base Year and financial assumptions to meet Minimum and Optimum Affordable Housing Production. The discussion centered on how to meet the goal of having at least the same number of affordable units in Mid-Market as there was when the planning process started in

1995. This number of units has been determined to be 1221. This discussion was designated to be an agenda item on the next Projects Committee meeting.

Public Comment: Daisy Anarchy representing Sex Workers Organized for Labor, Human and Civil Rights spoke to the group. She noted that the adult businesses combined were one of the biggest businesses in Mid-Market. She asked for a resolution to end illegal practices in dance clubs and if there was legislation to legalize private rooms/cubicles/booths in clubs that the PAC oppose the legislation. She also asked for a letter of support for club workers.

December 2004

Approval of letter of support for Sex Workers Organized for Labor, Human & Civil Rights: A letter of support was requested by Daisy Anarchy at the November PAC meeting. This letter was now presented to the PAC and approved.

MM Special Use District: Marshall Foster of the Planning Dept. made this presentation. He noted that his dept. is working with the Mayor's Office of neighborhood Development and the Northeast Neighborhood Planning team and the zoning administrator. He described the "arts incentives" program. This is similar to the TDR program that was described in a previous PAC meeting by Mr. Charles Chase. In its simplest form this "arts incentive" program would be a fund created by developers purchasing arts credits for extra FAR. Developers would pay into this fund and the revenues would be used in MM for art and cultural developments.

MM Plan Update: Lisa Zayas-Chien presented this item. She noted that she and PAC staff had gone over all the comments on the Plan to make sure that the comments had been addressed or were in the process of being addressed. There are two issues outstanding: Inclusionary housing and Goal A1 referring to maintaining or replacing one-for-one the overall total amount of affordably-priced housing. There was discussion of how to meet the affordable housing number of 1221.

Zayas-Chien distributed two sheets with financial assumptions. The sheets showed tables of sources and uses of funds for an affordable housing program and non-housing program. One sheet showed the projected first 5 years of MM tax-increment for affordable housing and for non-affordable housing. She stressed that no policy decisions have been made at this time. Also, the assumptions on the tax increments are conservative.

Agency Staff Report: Zayas- Chien reported that June 20, 2005 should be our drop dead date for completion of our plan.

There was no public comment and the meeting adjourned.

2005 MID-MARKET PROJECT AREA COMMITTEE SUMMARIES

January 2005

PAC approved a letter to end illegal practices in MM dance clubs as requested by Sex Workers Organized for Labor, Human & Civil Rights.

MM Special Use District and Redevelopment Plan: Brief statements were given by Marcia Rosen, Executive Director of the Agency, Dean Macris, Director of City Planning and Rich Hillis of the Mayor's Office of Business and Economic Development.

Marshall Foster of the Planning Dept. distributed a summary of the MM SUD with issues that have been resolved and issues that are still under discussion.

One issue under discussion is Floor Area Ratio (FAR). Planning wants to retain the existing incentive for greater FAR, which is TDR sales, plus develop an "arts credit" TDR-type program. This program would be dedicated to MM. The details of this kind of program would be worked out but it would basically create a financial mechanism to create an arts district. It would allow developers more FAR by buying "arts credits".

An issue that has not been resolved is the Inclusionary Housing. Lisa Zayas-Chien spoke to this issue. She noted that two different incentives were built into the inclusionary proposal. One: She explained more FAR can be acquired through the integration of BMR units into a residential project. The BMR units can be exempt from basic FAR calculations allowing a max FAR above 9:1.

Two: She noted that the allowance for an additional 15' of height for housing on sites with 120' heights in exchange for +3% BMR units will add more BMR and market rate units when combined with the FAR incentive.

For off-site BMR's there are two options. One: 17% must be built if built off-site and this must be built in the MM SUD. 2. If an in-lieu fee is paid the in-lieu fee is to be spent in MM and calculated to the cost of building in this district.

The issue of increasing the % of inclusionary housing 5 years after the MM Plan adoption to 15% on-site and 20% off-site was explained by Director Rosen who noted five years to begin development and the 18 months given once permit are issued seemed reasonable. The five years gets catalyst projects to move forward. It also promotes more market rate and affordable units, economic diversity, greater opportunity for mixed housing on site and meets anti-gentrification plans.

Questions and answers followed.

February 2005

The PAC approved of a letter of support for the AGI Capital Project at 7th & Mission Streets.

MM Special Use District (SUD) Marcia Rosen, Executive Director of the Redevelopment Agency and Dean Macris Director of the Planning Dept. were present. Marshall Foster reviewed the changes to the SUD and acknowledged the hard work of the Agency, the Planning Dept. and the MM Projects Committee. He felt they had "found middle ground". There was some discussion of these items and then the following motion was called: **"The PAC endorse the MM SUD summary as presented this evening; release for public review and comment over the next month, consider public comment and SUD text for approval at the March meeting."** The motion was approved at 20-Yes 1 No – 0 Abstain.

Mid-Market Redevelopment Plan:

First discussion: Goal A1. The amended Goal A1 recommended by the Projects Committee on Feb. 7, 2005 is as follows: "Maintain or replace one-for-one the overall total amount of affordably priced housing, both private and on-profit, that existed within the Project Area when the survey area for the Redevelopment Project was designated in 1995. This amount of affordably priced housing units has been determined to be 1,221."

Discussion followed. Executive Director Rosen expressed concern that the Agency had no control or authority over the private sector units and this would make it difficult to follow this mandate. She suggested that the percentage of permanently affordable units be upped to 18-20 % so it could be measurable and reportable. This would achieve the anti-gentrification goal. The 1,221 number is a "fictional number, a snapshot of housing stock." The PAC felt that the real point of the proposal was to keep affordable units. The discussion ended and a re-statement of the motion was asked for. The motion was re-stated by John Elberling: **Add Goal A1 with the amendment to the Plan. Add same amended Goal A1 to Chapter 4 of the Plan as an obligation of the Project over 30 years.**

Chair Yee called for the vote and noted that there were two issues. The first vote was: **Add Goal A1 with the amendment to the Plan.** (The amendment is the addition of this sentence to the goal: This amount of affordably priced housing units has been determined to be 1,221") The vote was called. Yes 14 – No 3 Abstain 3

The second vote was called to **"Add same amended Goal A1 to Chapter 4 of the Plan as an obligation of the Project over 30 years."** Yes 17- No 2 - Abstain 1.

Review and discuss Goal C9:

PAC member Carolyn Diamond presented an amended version of Goal C9 which was reviewed at a Projects Meeting. She made a motion to amend Goal C9 from its original text which was: "Develop, program and maintain (May need to remove the word "maintain" or qualify it) public open spaces, gathering places and pedestrian pathways that meet the needs of workers, residents and visitors." To this new text: **"Develop public open spaces, a neighborhood park, and pedestrian pathways, provided that mechanisms are available to program, maintain and secure these gathering places."** The motion was seconded & the vote called. Yes 16, No 0, Abstain 0.

Approve a motion that this draft be presented to the public:

PAC member Marty Cerles made the following motion: **"Approve the Mid-Market Plan with its' amendments for presentation to the public."** The motion was seconded & the vote called. Yes 14, No 1, Abstain 1.

March 2005

Mid-Market Special Use District:

Marshall Foster of the Planning Department began with a brief over view of the March 9, 2005 draft of the Mid-Market Special Use District (SUD). He walked through this final product and highlighted the intent of the document which is to promote the development of a mix of uses in the Mid-Market area, including new housing, support the development of arts, cultural and entertainment uses and encourage the adaptive reuse of historic resources in the district.

The following motions were made to the SUD: Comment by George Williams: Street Facing Use Requirements are inconsistent. Page 6 and Page 18 Sec. 145.4. He made a motion to make the two sections consistent.

George Williams' motion: Make the language on Page 6 (D) consistent with the language on Page 18 Sec. 145.4. Motion approved unanimously.

Craig Adelman asked for a motion to amend Section 167: Separating Parking Costs From Housing Costs in New Residential Buildings. This section states that off street parking spaces shall be leased or sold separately from the rental or purchase fees. **Craig Adelman's motion:** To Section 167 add this sentence:

"In instances in which financing for affordable housing projects would be precluded this provision would not apply." Motion approved unanimously.

Eric Tao's motion: Page 5 C7 delete the word minimum 2 times. Add new phrase. The first sentence of C(7) shall read: " Eight years after the adoption of the Mid-Market Redevelopment Plan pursuant to Ordinance xxx-xx, the inclusionary housing requirements described in Section 315 shall be increased by 3 percentage points from 12 percent on-site to 15 percent on-site and from 17 percent off-site to 20 percent off-site provided in no event will percentages be less than the City wide minimum per section 315. Motion approved 19 Yes - 4 No

Chair Yee called for any further discussion. Then the following motion was made:
Motion: Approve the Mid-Market Special Use District as amended.
Motion approved 23 yes – 2 No

Mid-Market Redevelopment Plan:

Lisa Zayas-Chien distributed the new language to implement PAC Goal A1 which is the preservation of the number of affordably priced housing units noted at 1,212 that existed in the Project Area at the time of adoption of the Mid-Market Redevelopment Survey Area.

The discussion turned to amending the first sentence and noting that the public safety should be acknowledged. There was a motion on this.

Samuel Noily's Motion: Page 41 B2 Streetscape Improvements. First sentence should read: Development and implementation of streetscape plans in coordination with the Department of Public Works and community stakeholders as a consideration of public safety. The motion passed unanimously.

Rich Hillis of the Mayor's Office of Business and Economic Development distributed a proposal called "Trinity Plaza Revisions to the MM Redevelopment Plan". Supervisor Chris Daly has been working with the residents of Trinity Plaza and negotiating a development agreement with the project sponsor. This development agreement allows for entitlements to build the project and amends the SUD. Jim Rueben noted that in the Trinity proposal there was compromise and agreements to keep this project in the Redevelopment Project Area for purposes of increment and meeting the goals for BMR and subsidized housing but other wise it was not subject to oversight of the Redevelopment Agency but rather the Planning Dept. and the Board of Supervisors. He stated that the design guidelines were not going to work for this four acre project. George Williams made the following motion to amend the Trinity Plaza Revisions to the MM Redevelopment Plan document:

George Williams' Motion: 3.5 Design Guidelines. Change the last part of the last sentence to read:the development of 1400 or more dwelling units shall be subject to design requirements in the Mid-Market Special Use District except as modified in the development agreement. Yes 22 – No 1

Then a motion is made regarding the Trinity proposal. **Motion: Approve Trinity Plaza Revisions to the MM Redevelopment Plan with the amendment and include in the related plan documents.** Yes 22 – No 1.

Comments on the Plan continue. Jeremy Nelson of TLC makes several comments.* These comments are discussed and there is a motion to amend B5 Page 41.

Samuel Naily's Motion: Page 41 B5 Pedestrian Connections Between Market and Mission Streets. Second sentence should read: This should include an analysis of the potential to increase sidewalk widths along numbered cross streets, with consideration to the impact of lanes of traffic and parking. Yes 22 – No 1

A PAC guest comments that she would like to see a revision of Page 7 – A2.

Motion: Page 7 A2. Remove the word "several" before non-profit service providers.... Yes 23 - No 0

John Elberling's Motion: Chapter 7 -Page 45 Transportation and Parking F1. Repeat this section (F1) in Section 1.7 Related Plan Documents where appropriate. Yes 23 – No 0

Patrick Banks' Motion: Move that we approve the Mid-Market Redevelopment Plan as amended. Yes 21 No 2

April 2005

Episcopal Community Services Presentation of 275 10th Street: Mr. Ken Reggio, Executive Director of Episcopal Community Services gave a brief history of ECS.

Joseph Smooke, Housing Director for the Bernal Heights Neighborhood Center and development consultant for the newest project of ECS spoke next. He noted that this new proposed project will be located at 275 10th Street. It is a supportive housing project which will serve homeless single adults. This proposed development will include approximately 134 single-room occupancy apartments in a five-story building. He stated that community input is very important on these projects and already a South of Market community group has asked that the entrances of this new project be moved to 10th Street, a design change that has been implemented. Financing of these projects is complicated and in the past they have worked with SF Redevelopment Agency and the Mayor's Office of Housing.

Mid-Market Redevelopment Plan and SUD. Review & Discuss Comments of the MM Redevelopment Plan and SUD Lisa Zayas Chien shared comments

she had received regarding the MM Plan and SUD. The four main points were concern and opposition to:

- Allowing 1:1 parking through a conditional use
- The idea of building a parking garage
- Allowing up to three stories above ground parking
- A 12% inclusionary requirement.

She also noted that Supervisor Chris Daly had indicated that he wants a higher inclusionary percent and would have a counter proposal. Chair Yee noted that we had requested a counter proposal delivered before this meeting but Daly's office responded that the counter proposal would be offered sometime in May.

Kathleen Diohep told the group that one of the concerns of the arts community was with the "arts credits" fund. They want to know what it is and when it will be real. Since at this point there are no guidelines it has caused some concern. Another concern of one building/gallery owner in MM was that the building may be subject to eminent domain. There was a discussion for clarification on the language in the SUD regarding parking. The discussion centered on clarification of a single car or a single space in a development. Marshall Foster clarified that the Planning Dept. has always counted cars, not spaces, when calculating the amount of parking allowed.

May 2005

Election of PAC member: Jerry Jarvis was elected to the PAC as a Residential Tenant.

MM Plan and SUD: Lisa Zayas-Chien distributed new Plan adoption schedules. Marshall Foster discussed the Planning Commission hearing of April 14th and noted that the Planning Commissioners wanted at least two more community meetings describing the Plan and SUD. Strategies were discussed to deal with the opposition and the Planning Commission.

Agency Staff Report: Zayas-Chien distributed a five page document titled: Rules Governing Participation by Property Owners and the Extension of Reasonable Preferences to Business Occupants in the MM Redevelopment Project. She directed the group to Page 3 – Section 5.0 Conforming Owners. She noted that language regarding Conforming Owners was removed from the MM Plan due to some PAC members concern that lending institutions may note this section and then require owners to produce documents that proved owners were in conformance. After consulting the Agency's legal dept. it was noted that Calif. Redevelopment Law required that property owners know their rights and that the language in this section needed to be available. This Section will stay in this document.

Zayas-Chien reported that the PAC administrative contract with the Market Street Association was up for extension. The amount of the contract was the same as it was last year. The PAC voted to approve the extension.

Zayas-Chien distributed a new schedule outlining the steps to Plan approval.

June 2005

MM Redevelopment Plan and SUD: Lisa Zayas-Chien distributed a chart that compared Affordable Housing Production numbers under the existing Planning Code vs. the proposed MM Plan and SUD. The chart's intention was to show what the MM Plan will produce as far as affordable units over its 30 year life.

It shows: Private Sector will produce 557 affordable units at 60% AMI for rental and 100% AMI for ownership. The Redevelopment Agency will produce 506 affordable units using 50% of AMI as a cap. The total estimated affordable housing production is 1063.

The second side of the chart estimated the program funds. She noted that three issues needed further discussion:

- 50% of the funds be applied to affordable housing
- 50% of AMI instead of 60% AMI as noted in the Plan
- SFRA would do only rental housing at 50% or less

After discussion it was agreed that it would be noted as a goal, not a mandate, that the Agency would use 50% of AMI instead of 60% AMI. Also it was agreed that the Agency should do 100% rental units.

Next proposed changes to the Redevelopment Plan and SUD were discussed. In order to establish more aggressive targets for the Agency's affordable housing efforts the following motions were approved.

"Agency will ensure that at least 50% of tax-increment funds allocated to the Agency by the Board of Supervisors will be used for "affordable housing".

"Agency affordable housing projects to target incomes from 0% to 60% of median income, with deepest affordability feasible." (Noted that this will be a goal not a mandate.)

"Agency affordable housing projects to be 100% rental."

"Expand affordable housing priority in MM Plan to include Tenderloin residents and possibly other adjacent areas."

Other motions approved by the PAC included:

“Establish a minimum goal for non-profit capital funding (community services, arts, culture and entertainment): 20% of total redevelopment program funds allocated to the Agency by the Board of Supervisors.”

“Include specific employment and contract language: The Agency will adopt and implement programs, for implementation in the Project Area, that meet or exceed City policies regarding workforce development, contracting opportunities, and equal opportunity, particularly for economically disadvantaged San Francisco residents, with priority to Tenderloin residents and possibly other adjacent areas and businesses.”

The next issues addressed were related to parking.

Remove the “parking garage” goal and project from MM Redevelopment Plan (Goal G4 in h2, p15 and Representative Project F2 in Ch.7. p 45). The Plan addresses this issue comprehensively in the following instances:

- a) Development of a Transportation Access and Parking Management Plan (Chapter 1 Sec. 1.7)**
- b) Implementation of a Transportation Demand Management Program (Chapter 7, Section 7.2, Project F1) Approved**

Permit no more than 2 floors of above-ground parking. Allow one additional floor by CU for the replacement of existing short-term surface parking. Require all above-ground parking to be wrapped with active uses. This motion was Not Approved.

Agency Staff Report: Lisa Zayas-Chien announced that this was her last PAC meeting before beginning her maternity leave. She introduced Mike Grisso as her temporary replacement.

July 2005

Election of new PAC members: Mr. Chuck Nagele, President of the Art Institute of California –San Francisco was elected to a seat of Commercial Tenant. Mr. Michael Yarne of Martin Building Co. was elected to a seat of Commercial Property Owner.

Mid-Market PAC Configuration and Review of MM By-laws: Agency legal counsel Penny Nakatsu spoke to the PAC regarding PAC elections. She noted that the PAC had been given some misinformation regarding PAC elections. She told the group that Plan Adoption does not require a new PAC. This is not a legal requirement and the PAC does not have to re-constitute itself. If the MM PAC wanted to re-configure itself it must be approved by the Board of Supervisors.

Agency staff added that for the sake of continuity their recommendation was a new PAC election be held two or three years after Plan Adoption. Discussion followed with most of the PAC members expressing their desire for a new PAC election since that was their understanding and the community at large had been told that a new PAC election would be held. It was decided that the proposal of a new PAC election would be discussed at the next Projects Committee meeting.

Mid-Market Redevelopment Plan and MM SUD: This item was to give PAC members and guests an opportunity to discuss the Planning Commission hearing on the MM SUD. The discussion focused on the misinformation that opponents gave to the Planning Commissioners. PAC members expressed frustration and saw the necessity to deal with the Commissioners and Board of Supervisors and ensure that all the information regarding the MM Plan and SUD is accurate.

Agency Staff Report: At the June PAC meeting it was approved to expand affordable housing priorities to include Tenderloin residents and possibly other adjacent areas. The Agency staff was asked to come back with a proposal of neighborhood boundaries. Mike Grisso distributed an information sheet showing MM Statistical Area of Census Tracts. The MM census tract is 176.01. He recommended adding to tract 176.01 tract 124 and 125 - North of Market blocks. PAC members spoke to that fact that tracts 124 and 125 were only part of the Tenderloin and suggested that the four tracts that make up the Tenderloin should be included in the priority listings. This would mean adding tracts 122 and 123. It was decided to bring this item back to the PAC in August as an Action Item.

John Elberling asked about the status of the merger for MM and Bloomingdale's. Grisso responded that as far as he knew no one was saying anything had changed.

August 2005

Election of new PAC member: Linda Hughes of Red Ink Studios was elected to a seat as a Commercial Tenant.

MM PAC Configuration and Amendments of MM By-laws: This subject was discussed at the July PAC meeting. Further discussions on PAC configurations, PAC elections and census tracts inclusion were held at the Projects Meeting and the Projects Committee's recommendation was given to the full PAC. More discussion was held and these motions were made.

Original motion by Linda Corso: **"Move that we instruct Chair Yee to draft a letter to the Board of Supervisors asking they approve the PAC configuration of 2002 and that we have an election three years after Plan Adoption."**

This motion had three amendments:

Amendment #1. (Richard Livingston) "Move that the recommended reconfiguration of the PAC not decrease Residential Owner Occupant, Residential Tenant, Civic Organization seats and the end result is 40 seats"
Motion Approved – 20 yes 1 no

Amendment #2. (Anthony Faber) Move that there is a PAC election within one year of Plan Adoption. Motion Failed 6 yes – 14 no

Amendment #3. (George Williams) Move that there is a PAC election in two years of Plan Adoption. Motion approved 18 yes 2 no

Linda Corso's original motion was restated with the amendments:
"Move that we instruct Chair Yee to draft a letter to the Board of Supervisors asking that they approve the PAC configuration of 2002 as amended and that we have an election in tow years after Plan Adoption. Motion Approved 20 yes 0 no."

Recommended boundaries for the proposed affordable housing preference:
There was discussion on housing preferences that was carried over from the July meeting and the Projects Committee recommended to the full PAC that all four census tracts of the Tenderloin be included in the priority area.

A motion was made by Craig Adelman to incorporate the revised preferences to include census tracts 176.01, 125, 124, 123, 122. This motion was approved.

The motion in full was: Housing in the MM Redevelopment Project Area be made available to persons and families of low and moderate income in the following order of priority, to the extent permitted by law:

- 1. Those who are Agency Certificate Holders**
- 2. Those displaced from housing within the Project Area by the Agency's actions pursuant to this Plan**
- 3. Those displaced from housing elsewhere in the City by the Agency or City**
- 4. Residents of the Project Area**
- 5. Other residents of census tracts 176.01, 125, 124, 123, 122.**

Motion approved 15 yes 0 no.

Agency Staff Report: Mike Grisso reported that it is likely that the Agency Commission will not receive the MM Redevelopment package until mid-September. The background documents have not been completed. Due to the lengths of time that scheduling takes at the Board of Supervisors it looks like the MM Project will not get to the Board of Supervisors until January of 2006.

INFORMATIONAL MEMORANDUM
110-107-04-002

Agenda Item No. 4 (g)
Meeting of August 17, 2004

TO: Agency Commissioners

FROM: Marcia Rosen, Executive Director

SUBJECT: Workshop on Proposed Mid-Market Redevelopment Plan and Special Use District; Mid-Market Survey Area

EXECUTIVE SUMMARY

This workshop is to inform the Commission of the contents and status of the proposed Mid-Market Redevelopment Plan ("Redevelopment Plan") and to highlight current collaborative efforts with the Planning Department and the Mid-Market Project Area Committee ("PAC") to work through final issues regarding the Redevelopment Plan's companion document, the Mid-Market Special Use District ("Mid-Market SUD"). The Mid-Market SUD proposes specific amendments to the Planning Code aimed at achieving the goals and objectives of the Redevelopment Plan. If approved, the Planning Code as amended by the Special Use District, will serve as the development controls for the Redevelopment Plan. This workshop will also describe the series of actions required for adoption of the Redevelopment Plan.

The Redevelopment Plan proposes to create a new Mid-Market Redevelopment Project Area ("Project Area") located in downtown San Francisco along Market Street and Mission Street between 5th Street and 10th Street. The Redevelopment Plan will allow the Agency to: 1) assist in the revitalization of the City's primary downtown thoroughfares, Market Street and Mission Street, through promoting and participating in sensitive urban infill and rehabilitation projects and programs that capitalize on existing assets, including the district's historic commercial, arts, culture and entertainment infrastructure; 2) provide incentives for the development and rehabilitation of approximately 3,300 housing units and directly assist with the development of extremely low, very-low and moderate income housing, including single-room occupancy residential hotels ("SROs"); 3) create a more vibrant and balanced mixed-use district than currently exists through modified development controls as outlined in the Planning Code and the Mid-Market SUD; 4) improve the existing public infrastructure, including community facilities, open space, streetscapes and transit facilities; and 5) provide for balanced transportation and parking options, while minimizing impacts to transit, pedestrians and bicycles.

The Commission certified a Final Environmental Impact Report on the proposed Mid-Market Redevelopment Plan ("EIR") at a joint hearing with the Planning Department on September 18, 2003. Staff could present the Redevelopment Plan for Commission consideration in October 2004, pending a variety of actions and notices, including the approval and certification of an updated Housing Element of the San Francisco General Plan. Board of Supervisors consideration of the Redevelopment Plan will follow the Commission's action.

BACKGROUND

The Project Area consists of approximately 82 acres of land located in downtown San Francisco and generally includes those properties directly adjacent to Market Street and Mission Street, between Fifth Street and Tenth Street as shown in the Attachment. The Project Area includes a wide variety of land uses and mixed-use buildings. Market Street is generally characterized by street-level retail or service uses, with upper-floor office space, much of which is currently vacant. Theaters and other entertainment uses are located in the Project Area, along Market Street. Other street-level land uses include hotel, parking, office, government and institutional, public open space, and vacant sites. Other non-office upper-floor uses are generally residential (including single-room-occupancy hotels and live/work), public/institutional, or warehouse/storage. Building patterns established in the decades after 1906 have continued to the present with limited change, especially in the northern half of the Project Area. The southern half of the Project Area has a heavier concentration of parking lots and some light industrial uses.

The Project Area as a whole exhibits conditions of physical and economic blight, including many older masonry buildings that suffer from extensive physical deficiencies, high vacancies, and chronically lower property sales prices and lease rates than other parts of the downtown. In addition, the Project Area suffers from an excess of bars, liquor stores, adult entertainment and other "adult only" businesses, which, in combination with a disproportionate share of crime in the City, has created a significant negative perception of the area. All of these conditions constitute blight that the proposed Redevelopment Plan would address.

The Redevelopment Plan can be summarized as an incremental 30-year urban infill and rehabilitation program that would authorize the Agency to participate in and/or assist with certain projects and programs that, taken together, aim to create a more vibrant and balanced mixed-use district over time. Agency efforts would place a special emphasis on building upon the existing fabric and assets of the district including: increasing the ratio of residential development to other land uses; expanding upon existing arts, cultural and entertainment activities; aiding existing businesses; attracting new complementary commercial development; and rehabilitating existing commercial and residential space in historic buildings. In addition, the Redevelopment Plan aims to retain existing and historic affordable housing ratios as well as community-serving office space. To support the Project Area's anticipated growth in residential population, businesses, and employees, and to serve city-wide and regional needs, the Redevelopment Plan anticipates additional facilities to house civic, social and cultural services and activities and public improvements including public open space, streetscapes and transit facilities.

PLAN ADOPTION DOCUMENTS

Before a legislative body can adopt a redevelopment plan, a series of technical and legal documents must be completed, including a redevelopment plan, preliminary report, environmental impact report, and final report on the redevelopment plan. In addition to these documents, land use in the Project Area will be governed by the Planning Code, including Project Area specific amendments embodied in a special use district, or overlay zone.

The intent of these documents is to describe the authority, obligations and policies that the Agency will utilize in carrying out the Redevelopment Plan, demonstrate existing adverse conditions in the Project Area, outline the proposed redevelopment program and how it will help to alleviate the adverse conditions, analyze the potential environmental impacts of the redevelopment program on the proposed project area and surrounding areas, and outline in one section of the Planning Code, certain amendments specifically aimed at regulating development in a manner that implements the goals and objectives of the Redevelopment Plan. All of these documents have either been drafted or are being drafted for the Project Area and are currently in various stages of administrative and community review.

Mid-Market Redevelopment Plan

A redevelopment plan is the official legal document that describes the Agency's powers and obligations in implementing projects and programs in a project area. The redevelopment plan describes the specific tools that the Agency will use in a project area to help alleviate conditions of blight.

Recent modifications to the Redevelopment Plan include the modification of the proposed Project Area boundary to include two additional parcels at the 10th Street and Mission Street intersection. This could allow a significant number of market rate housing units to be built in the Project Area, directly adjacent to two Agency supported efforts to produce affordable housing and mitigate Project Area blighting influences at this same intersection. These current efforts include the Agency's support of Tenderloin Neighborhood Development Corporation's and Citizens Housing's 1400 Mission Street senior housing project and Mercy Housing's family and senior housing at the same intersection, totaling 387 affordable housing units. Both the boundary change and the Agency's efforts to support affordable housing and mitigate blighting influences at this important intersection have been discussed thoroughly with and are supported by the PAC. The Redevelopment Plan is currently undergoing formal public comment as well as administrative review with the aim of completing public review in September.

The Redevelopment Plan has been specifically crafted to effect significant and positive change while simultaneously building upon the existing fabric and assets of the Project Area. Important aspects of the Redevelopment Plan that illustrate this include:

- Community-driven goals and objectives that will not only authorize the Agency to implement specific projects and programs but also require a concerted effort by the Agency to coordinate with other City departments, community members and stakeholders;
- Use of the Planning Code to regulate development in recognition of historic development patterns;
- Authorization of the Mid-Market SUD – a set of specific Planning Code amendments aimed at achieving the goals and objectives of the Redevelopment Plan and of the General Plan;

- Shared administration of development controls with the Planning Department through a Delegation Agreement;
- Encouraging owner participation in redevelopment;
- A limited eminent domain policy that focuses on alleviating the Project Area's most severe issues including: SROs with recurrent violations of applicable laws, codes and ordinances; unsafe and unhealthy buildings; chronically vacant buildings; surface parking lots that have not been developed by a certain date; limited aggregation of small parcels for the development of residential, arts, culture and entertainment uses; and the creation of pedestrian easements;
- A mandate to maintain historic affordable housing ratios and directly assist the development of extremely low, very low and moderate income housing, including SROs; and
- Authorization of tax-increment funding to aid infill development, rehabilitation of existing buildings, and improve the existing public infrastructure, including community facilities, open space, streetscapes and transit facilities.

Preliminary Report

The Preliminary Report on the Mid-Market Redevelopment Plan ("Preliminary Report") is a background document completed in the process leading to consideration of the adoption of the Redevelopment Plan. The Preliminary Report describes the reasons for adopting the Redevelopment Plan, the existing physical and economic blighting conditions in the Project Area, the proposed projects and activities designed to alleviate the adverse conditions and revitalize the area, the proposed financing methods and feasibility of the Project Area and the necessity for redevelopment. This provides the foundation for the Final Report to the Board on the Mid-Market Redevelopment Plan ("Final Report on the Redevelopment Plan"). Staff has completed an administrative draft of the Preliminary Report and will distribute it in early September 2004.

EIR

The purpose of an environmental impact report is to analyze the combined environmental impacts of the proposed development program or project description, in this case, anticipated urban infill and rehabilitation projects and programs over the anticipated life of a redevelopment plan. The EIR was completed in September of 2002 by the Agency and the Planning Department as co-lead Agencies. The Agency took the lead in preparing the EIR on behalf of the City. The Agency Commission and the Planning Department Commission jointly certified the EIR on September 18, 2003. The EIR, and any other subsequent environmental documentation, will be presented as a background to each governmental body that needs to take action in approving the Redevelopment Plan.

Final Report on the Redevelopment Plan

The Final Report on the Redevelopment Plan is the supporting documentation that is presented to the Commission at the time the Redevelopment Plan is considered. The Final Report on the

Redevelopment Plan is composed of all the sections of the Preliminary Report, plus an implementation plan for the first five years of the Redevelopment Plan, a plan and method of relocation, an analysis of the preliminary redevelopment plan, the report and recommendations of the Planning Commission, a description of consultations with the community, the EIR, the Report of the County Fiscal Officer and an analysis of the Report of the County Fiscal Officer. The Final Report on the Redevelopment Plan provides the Commission with all relevant background information in support of the need, purpose and objectives of the Redevelopment Plan.

The Final Report on the Redevelopment Plan is currently being drafted by Agency staff and will be published in late September of this year. Most of the sections of the Final Report on the Redevelopment Plan will be identical to the sections in the Preliminary Report. Some alterations to the tax increment analysis are necessary, as the future tax increment projections will be conducted from the base year of 2004-05. The remaining sections of the Final Report on the Redevelopment Plan will provide the Commission with further background information for consideration of the Redevelopment Plan along with the EIR.

Mid-Market SUD

Development controls for the Project Area will continue to be dictated by the Planning Code but with specific amendments aimed at achieving the goals and objectives of the Redevelopment Plan and the General Plan. The Mid-Market SUD is essentially a zoning overlay that retains the primary development controls of the Project Area's existing underlying zoning districts, including bulk and height controls, but modifies certain aspects of the controls in order to promote revitalization. Administration of development controls, including the Mid-Market SUD, will be administered jointly by the Planning Department and the Agency pursuant to a Delegation Agreement. As a reference, implementation of the Redevelopment Plan is envisioned as being similar to the Agency's implementation efforts in the South of Market Earthquake Recovery Redevelopment Project Area. In summary, the Mid-Market SUD proposes to:

Build on existing assets, including the district's historic commercial, arts, culture and entertainment infrastructure by:

- Allowing arts, cultural and entertainment facilities in all zoning districts;
- Creating new floor area ratio ("FAR") incentives for arts cultural and entertainment facilities within the existing height and bulk limits already established for all the underlying zoning districts;
- Encouraging mandatory public art requirements to be met in clearly visible public spaces and thoroughfares;
- Modifying the Planning Code and administration procedures to promote the preservation, rehabilitation and adaptive reuse of historic commercial buildings;
- Creating ground floor signage and façade urban design controls and standards; and
- Establishing requirements that call for "active uses" and transparency of windows on ground floors.

Actively encourage a vibrant mixed-income residential neighborhood by:

- Reducing procedural obstacles to the creation of high density housing within the existing height and bulk limits already established for all the underlying zoning districts;
- Creating new FAR incentives for residential development within the existing height and bulk limits already established for all the underlying zoning districts; and
- Allowing SRO units to be a permitted use throughout, in the same manner and subject to the same requirements applicable to SRO units in the South of Market Mixed-Use SLR and RSD zoning districts.

Create a more vibrant and balanced mixed-use district than currently exists by:

- Redefining “nonprofit” uses as needed and necessary “community services” and allowing community services in all zoning districts, except on the ground floor;
- Establishing “good neighbor” policies for liquor shops;
- Prohibiting new adult entertainment establishments; and
- Prohibiting the establishment of new long-term surface parking lots.

Provide for balanced transportation and parking options while minimizing impacts to transit, pedestrians and bicycles by:

- Removing minimum parking requirements for all uses;
- Allowing residential accessory parking above what is currently permitted if development is able to meet guidelines for maximizing parking efficiencies through the use of valet parking or mechanical parking lifts;
- “Uncoupling” parking from residential units;
- Applying pedestrian friendly and “transit first” design standards and guidelines;
- Maximizing the efficient use of existing facilities and allowing new short-term district-serving parking facilities where needed; and
- Increasing car-sharing and bicycle parking facilities within individual development projects.

The Mid-Market SUD is currently under intense community review in conjunction with the PAC and the Planning Department, with the aim of finalizing the Mid-Market SUD in September. Similar to this workshop, staff will be updating the Planning Commission on its work on the Mid-Market SUD on September 2, 2004.

Additional Documents and Findings

In addition to the plan documents written by Agency staff and its consultants, the Redevelopment Plan requires findings of consistency with the General Plan and changes to portions of the Planning Code. The consistency findings with the General Plan and amendments to the Planning Code, including the Mid-Market SUD and modifications to the Zoning Maps, are currently being drafted and will be considered by the Planning Commission in October 2004.

NEXT STEPS

The Redevelopment Plan and Mid-Market SUD are currently undergoing community review with the aim of obtaining a recommendation from the PAC on both of these documents in September. The Preliminary Report has been drafted and will be distributed in early September after refiling with the State Board of Equalization and revising the property tax base year in order to amend the tax increment projections. The Final Report on the Redevelopment Plan can then be published later in September.

After these documents have been released, the Planning Commission will consider the Redevelopment Plan's consistency with the General Plan, make its recommendation on the Redevelopment Plan and take action on the Mid-Market SUD. When the Planning Commission has completed its actions, both commissions will consider approval of the Redevelopment Plan. Agency staff anticipates the Agency Commission will consider plan adoption in October 2004.

After both commissions have completed the above actions, the Board of Supervisors will hold a public hearing on the Redevelopment Plan. After a first and second reading, the Board can adopt the Redevelopment Plan. Finally, after the Mayor signs the ordinance, Mid-Market will be an active Project Area.

(Originated by Lisa Zayas-Chien, Senior Planner)

Marcia Rosen
Executive Director

Attachment: Mid-Market Workshop PowerPoint Presentation

INFORMATIONAL MEMORANDUM

TO: Agency Commissioners

FROM: Marcia Rosen, Executive Director

SUBJECT: Workshop on the Proposed Mid-Market Redevelopment Plan and Special Use District; Mid-Market Survey Area

EXECUTIVE SUMMARY

This workshop is to inform the Commission of the contents and status of the proposed Mid-Market Redevelopment Plan ("Redevelopment Plan") (Attachment B) and implementing amendments to the Planning Code constituting the Mid-Market Special Use District ("Mid-Market SUD") (Attachment C). A previous workshop on August 17, 2004 highlighted staff's progress on the development of the Mid-Market SUD in collaboration with the Planning Department and the Mid-Market Project Area Committee (PAC). The PAC recommended approval of the draft Redevelopment Plan and the Mid-Market SUD at its March 9, 2005 regular meeting. This workshop will also describe the series of actions required for adoption of the Redevelopment Plan and accompanying plan adoption documents, including the Mid-Market SUD.

The Redevelopment Plan proposes to create a new Mid-Market Redevelopment Project Area ("Project Area") (Attachment A) located in downtown San Francisco along Market Street and Mission Street between Fifth Street and Tenth Street. The proposed Redevelopment Plan will allow the Agency to: 1) assist in the revitalization of the City's primary downtown thoroughfares, Market Street and Mission Street, through promoting and participating in sensitive urban infill and rehabilitation projects and programs that capitalize on existing assets, including the district's historic commercial, arts, culture and entertainment infrastructure; 2) provide incentives for the development and rehabilitation of approximately 3,300 housing units and directly assist with the preservation and development of extremely low-, very low- and moderate-income housing, including single room occupancy residential hotels ("SROs"); 3) create a more vibrant and balanced mixed-use district than currently exists through modified development controls as outlined in the Planning Code through the Mid-Market SUD; 4) improve the existing public infrastructure, including community facilities, open space, streetscapes and transit facilities; and 5) provide for balanced transportation and parking options, while minimizing impacts to transit, pedestrians and bicyclists.

The Commission certified a Final Environmental Impact Report on the proposed Mid-Market Redevelopment Plan ("FEIR") at a joint hearing with the Planning Department on September 18, 2003. Staff hopes to present the proposed Redevelopment Plan and related plan adoption documents, including the Mid-Market SUD, for Commission consideration in May 2005. Board of Supervisors' consideration of the Redevelopment Plan, Mid-Market SUD and related plan adoption documents will follow the Commission's action.

BACKGROUND

The Project Area consists of approximately 82.4 acres of land located in downtown San Francisco and generally includes those properties directly adjacent to Market Street and Mission Street between Fifth Street and Tenth Street. The Project Area includes a wide variety of land uses and mixed-use buildings. Market Street is generally characterized by street-level retail or service uses, with upper-floor office space, much of which is currently vacant. Theaters and other entertainment uses are located in the Project Area along Market Street. Other street-level uses include hotel, parking, office, government and institutional, public open space, and vacant sites. Other non-office upper-floor uses are generally residential (including SROs and live/work), public/institutional, or warehouse/storage. Building patterns established in the decades after 1906 have continued to the present with limited change, especially in the northern half of the Project Area. The southern half of the Project Area has a heavier concentration of parking lots and some light industrial uses.

The Project Area as a whole exhibits conditions of physical and economic blight, including many older masonry buildings that suffer from extensive physical deficiencies and high vacancies despite competitive or lower lease rates than other parts of the downtown. In addition, the Project Area suffers from an excess of bars, liquor stores, adult entertainment and other “adult only” businesses, which, in combination with a disproportionate share of crime in the City, has created a significant negative perception of the area. All of these conditions constitute blight that the proposed Redevelopment Plan would address.

The proposed Redevelopment Plan can be summarized as an incremental 30-year urban infill and rehabilitation program that would authorize the Agency to participate in and/or assist with certain projects and programs that, taken together, aim to create a more vibrant and balanced mixed-use district over time. Agency efforts would place a special emphasis on building upon the existing fabric and assets of the district, including: increasing the ratio of residential development to other land uses; expanding upon existing arts, cultural and entertainment activities; aiding existing businesses; attracting new complementary commercial development; and rehabilitating existing commercial and residential space in historic buildings. In addition, the Redevelopment Plan aims to retain existing and historic affordable housing ratios as well as community-serving office space. To support the Project Area’s anticipated growth in residential population, businesses, and employees, and to serve city-wide and regional needs, the draft Redevelopment Plan anticipates additional facilities to house civic, social and cultural services and activities and public improvements, including public open space, streetscapes and transit facilities.

PLAN ADOPTION DOCUMENTS

Under the California Community Redevelopment Law (“CRL”), before a legislative body can adopt a redevelopment plan, a series of technical and legal documents must be completed, including a redevelopment plan, preliminary report, environmental impact report, and final report

on the redevelopment plan. In addition to these documents, land use in the Project Area will be governed by the Planning Code, including the Mid-Market SUD, which consists of Project Area specific amendments embodied in a special use district, or overlay zone.

The intent of these documents is to describe the authority, obligations and policies that the Agency will utilize in carrying out the proposed Redevelopment Plan, demonstrate existing adverse conditions in the Project Area, outline the proposed redevelopment program and how it will help to alleviate the adverse conditions, analyze the potential environmental impacts of the redevelopment program on the proposed Project Area and surrounding areas, and detail certain amendments to the Planning Code specifically aimed at regulating development in a manner that implements the goals and objectives of the Redevelopment Plan.

■ Mid-Market Redevelopment Plan

A redevelopment plan is the official legal document that describes the Agency's powers and obligations in implementing projects and programs in a project area. The redevelopment plan describes the specific tools that the Agency will use in a project area to help alleviate conditions of blight.

The Redevelopment Plan for Mid-Market has been specifically crafted to effect significant and positive change while simultaneously building upon the existing fabric and assets of the Project Area. Important aspects of the Redevelopment Plan that illustrate this include:

- Community-driven goals and objectives that will not only authorize the Agency to implement specific projects and programs but also require a concerted effort by the Agency to coordinate with other City departments, community members and stakeholders;
- Use of the Planning Code to regulate development in recognition of historic development patterns;
- Creation of the Mid-Market SUD – a set of specific Planning Code amendments developed as an overlay to the Planning Code aimed at achieving the goals and objectives of the Redevelopment Plan and of the City's General Plan;
- Shared administration of development controls with the Planning Department through a Delegation Agreement;
- Encouraging owner participation in redevelopment;
- A limited eminent domain policy that focuses on alleviating the Project Area's most severe issues including: SROs with recurrent violations of applicable laws, codes and ordinances; unsafe and unhealthy buildings; chronically vacant buildings; surface parking

lots that have not been developed by a certain date; limited aggregation of small parcels for the development of residential, arts, culture and entertainment uses; and the creation of pedestrian easements;

- A mandate to maintain historic affordable housing ratios and directly assist the development of extremely low-, very low- and moderate-income housing, including SROs; and
- Authorization of tax increment funding to aid infill development, rehabilitation of existing buildings, and improve the existing public infrastructure, including community facilities, open space, streetscapes and transit facilities.

Since August, Agency and Planning staff has engaged with the PAC and other stakeholders to resolve outstanding issues in the Redevelopment Plan and the Mid-Market SUD. Recent notable modifications to the draft Redevelopment Plan include: 1) a Project Area-specific affordable housing preservation policy and program; 2) higher affordable housing production goals; 3) a new transportation access and parking management plan; and 4) new language recognizing that the Planning Department and the Board of Supervisors may enter into specific development agreements with private developers under Chapter 56 of the San Francisco Administrative Code, if their projects meet certain conditions.

■ **Special Affordable Housing Preservation Policies**

The Redevelopment Plan proposes that the Agency implement a special affordable housing preservation program in the Project Area. The goal of the program will be to preserve the number of affordable housing units (approximately 1,221 units) that existed in the Project Area at the time the Board of Supervisors adopted the Mid-Market Redevelopment Survey Area in 1995. New rental units that are created in accordance with this Project Area policy shall be made available to households earning no more than 60 percent of area median income, and new owner-occupied units shall be made available to households earning no more than 100 percent of area median income.

■ **Increased Affordable Housing Production Goals**

CRL requires that at least 15 percent of all new and substantially rehabilitated dwelling units developed within the Project Area shall be available at affordable housing cost to, and occupied by, persons and families of extremely low-, very low-, low- or moderate-income. The Plan proposes exceeding this CRL requirement by making at least 20 percent of all new and substantially rehabilitated dwelling units available to households earning no more than 60 percent of area median income for rental units and to households earning no more than 100 percent of area median income for owner-occupied units. In addition, not less than 40 percent of these units shall be available at affordable housing cost to, and occupied by, extremely low- and very low-income households.

CRL requires that at least 30 percent of all new and substantially rehabilitated dwelling units developed directly by the Agency shall be available at affordable housing cost to, and occupied by, persons and families of extremely low-, very low-, low- or moderate moderate-income. The Plan proposes exceeding this requirement by making all new and substantially rehabilitated dwelling units developed directly by the Agency available to households earning no more than 60 percent of area median income for rental units and to households earning no more than 100 percent of area median income for owner-occupied units. In addition, not less than 50 percent of these dwelling units shall be available at affordable housing cost to, and occupied by, extremely low- and very low-income households.

■ **Development of a Transportation Access and Parking Management Plan**

If approved, in the first years of the Plan's implementation, a Transportation Access and Parking Management Plan will be developed that examines the existing and future transportation and parking needs of Mid-Market and recommends programs, incentives, and capital projects for the City to implement and improve multimodal access, safety and efficiency in Mid-Market, including the most efficient use of existing roadway and parking supply in Mid-Market.

■ **Development Agreements with the Board of Supervisors and the Planning Department**

The Board of Supervisors and the Planning Department shall have exclusive jurisdiction over all review, approval, and implementation of any development project that is subject to a development agreement under Chapter 56 of the San Francisco Administrative Code and that provides for the development of 1,400 or more dwelling units.

■ **Preliminary Report**

The Preliminary Report on the Mid-Market Redevelopment Plan ("Preliminary Report") is a background document completed in the process leading to consideration of the adoption of the proposed Redevelopment Plan. The Preliminary Report describes the reasons for adopting the Redevelopment Plan, the existing physical and economic blighting conditions in the Project Area, the proposed projects and activities designed to alleviate the adverse conditions and revitalize the area, the proposed financing methods and feasibility of the Project Area and the necessity for redevelopment. This provides the foundation for the Final Report to the Board on the Mid-Market Redevelopment Plan ("Final Report on the Redevelopment Plan").

■ **Environmental Review**

The purpose of an environmental impact report is to analyze the combined environmental impacts of the proposed development program or project description – in this case, anticipated urban infill and rehabilitation projects and programs – over the life of a redevelopment plan. The Agency Commission and the Planning Department Commission jointly certified the FEIR as co-lead agencies on September 18, 2003. The FEIR, and any other subsequent environmental documentation, will be presented as background to each governmental body that needs to take action in approving the proposed Redevelopment Plan.

■ Final Report on the Redevelopment Plan

The Final Report on the Redevelopment Plan is the supporting documentation that is presented to the Commission at the time the proposed Redevelopment Plan is considered. The Final Report on the Redevelopment Plan is composed of all the sections of the Preliminary Report, plus an implementation plan for the first five years of the Redevelopment Plan, a plan and method of relocation, an analysis of the preliminary redevelopment plan, the report and recommendations of the Planning Commission, a description of consultations with the community, the FEIR, the Report of the County Fiscal Officer and an analysis of the Report of the County Fiscal Officer. The Final Report on the Redevelopment Plan provides the Commission with all relevant background information in support of the need, purpose and objectives of the proposed Redevelopment Plan.

The Final Report on the Redevelopment Plan is currently being drafted by Agency staff and will be completed in early May 2005. Most of the sections of the Final Report on the Redevelopment Plan will be identical to the sections in the Preliminary Report. The remaining sections of the Final Report on the Redevelopment Plan will provide the Commission with further background information for consideration of the proposed Redevelopment Plan along with the FEIR.

■ Mid-Market SUD

The proposed Mid-Market SUD will be the primary tool to implement Mid-Market Redevelopment Plan goals and policies that 1) promote the development of a mix of uses in the Mid-Market area, including new housing of a variety of types and affordable to a range of income levels; 2) support the retention and development of arts, cultural and entertainment uses in the area; 3) encourage the preservation and adaptive reuse of historic resources; and 4) establish standards that encourage active uses and enhance the overall design quality of new development along Market Street and other major streets in the area.

As such, the proposed Mid-Market SUD will establish new controls for permitted uses, development density, form and bulk, street-facing uses, residential exposure, open space and parking, the design and accessibility of public open spaces, signage, and incentive programs for arts, cultural and entertainment uses within the Mid-Market SUD boundaries. Underlying zoning districts will remain in effect except as amended by Mid-Market-specific development controls in the Mid-Market SUD.

The Mid-Market SUD proposes the following changes:

General Housing Encouragement

- Encourage desired high density housing by retiring limits on dwelling unit density by lot area. Instead, dwelling unit density would be limited by existing height and bulk limits.
- Exempt existing (outdated) requirements for "rear yards" and dwelling unit exposure and increase the lot coverage maximum from 75% to 80% at residential levels in the Downtown General Commercial District (C-3-G).

- Retain existing open space requirements but allow for more flexibility in achieving sun access requirements by exempting projects in the C-3-G from existing sun access requirements to inner courts.
- For new construction, allow up to 40% of required open space to be provided off-site through in-kind development (including street improvements that provide usable open space).
- Create an incentive for additional housing by exempting “inclusionary” (affordable) units as required by Section 315 of the Planning Code (the City’s Inclusionary Housing Policy) from floor area ratio (FAR) calculations, thereby creating a greater overall on-site development capacity for additional housing, which automatically creates more affordable units (required affordable “inclusionary” units are typically 12% of total units on a given site).
- Allow one additional FAR for smaller sites zoned C-3-G and in the 160’ height zone to encourage more housing of a better design.

Inclusionary Housing

- Require 12% on-site or 17% off-site inclusionary units under Section 315 for all projects of 10 units or more, regardless of whether a conditional use (CU) or planned unit development approval (PUD) is required. (Currently, when a project does not need a special CU authorization, it is only required to provide for 10% inclusionary units).
- Require inclusionary units to remain affordable for the life of the residential development. (Currently, residential developments are only required to maintain affordability of inclusionary units for 50 years).
- Eight years after adoption of the Mid-Market Plan, increase the inclusionary requirement to 15% on-site or 20% off-site.
- Require off-site inclusionary housing to be located within the Project Area boundaries.
- Permit inclusionary units to be provided off-site through rehabilitations or conversions, provided they result in net new affordable residential units in the district.
- Permit up to 20 feet of additional height for housing on sites in 120’ and 130’ height districts, in exchange for an additional 3% inclusionary. These particular sites are otherwise generally unable to take advantage of the incentive for additional housing by exempting inclusionary units as outlined in the *General Housing Encouragement* section above. On Market and Mission Streets, require an upper story step back of a depth equal to the additional height to mitigate potential shadow and view impacts, subject to Section 309 review. The Section 309 review process is a special permit review process designed to specifically address the more complex issues of development typical in C-3-G districts and to provide for flexibility as necessary.

Residential Parking

- Retire existing minimum parking requirements. Establish a parking maximum of up to .375 cars per unit permitted as-of-right; permit up to 1 car per unit subject to a CU approval.
- Encourage more space-efficient parking, including valet, tandem and mechanical stackers, by retiring existing requirements for independently-accessible parking stalls and minimum parking stall size requirements, and establishing a maximum parking stall size.
- Limit space above-ground devoted to parking to three floors above street grade. Require any above-ground parking to be lined with active uses on all street frontages. Permit limited exceptions subject to Section 309 review.
- Provide an exemption from FAR calculations (creating more on-site development capacity) for reduced residential parking for the first 8 years following adoption of the Mid-Market Plan:
 - + 0.5 FAR (development capacity) bonus for 0.75 cars parked per unit
 - + 1.0 FAR (development capacity) bonus for 0.5 cars parked per unit
 - + 2.0 FAR (development capacity) bonus for 0 cars parked per unit
- As an incentive to provide all parking underground, exempt underground parking from FAR calculations (also a means to create more development capacity on a given site).
- Require that all parking be sold or rented separately from housing.
- Allow accessory parking to be provided off-site as-of-right.
- Require parking for carshare vehicles where residential parking is provided.
- Require Class I bicycle parking in all new residential development.

Building Design

- To establish a strong urban streetwall in the district, require a minimum streetwall height of 65 feet on the north side of Mission Street, the west side of Fifth Street, and on both sides of Sixth, Seventh, Eighth, Ninth, and Tenth Streets.
- Above a height of 120 feet, require that at least 40% of all facades be fenestrated and require operable windows on all frontages.
- Strengthen the criteria for bulk exceptions in the C-3-G to require that 2 out of 5 criteria for exceptions be met.

Historic Preservation/Adaptive Reuse

- Retain the existing "Transferable Development Rights" program for historic properties in C-3 districts and all other existing incentives.
- Increase the existing provision for accessory residential uses from 25% to 33% of a building's gross floor area for historic or unreinforced masonry buildings.
- Allow the Zoning Administrator to waive the 80% lot coverage maximum for projects that involve rehabilitation or change of use in historic or unreinforced masonry buildings.

Space for Arts/Cultural Entertainment Uses

- Retain the existing exemptions from FAR calculations for arts space (Sec. 102.9).
- Establish a "Mid-Market Arts Space Fund" that will create a dedicated source of funds to provide code upgrades, tenant improvements, and other support to existing and new non-profit arts, cultural and entertainment uses. As a complement to the existing "Transferable Development Rights" program for historic properties in C-3 districts, a project sponsor in Mid-Market will be permitted to purchase additional floor area up to the existing maximum FAR allowed by Code. Proceeds will go to the Mid-Market Arts Space Fund. Agency and City staff will work with the PAC and the local arts community to complete a study to determine how the purchase price of arts credits should be set and how the Fund should be administered; staff will then make a recommendation to relevant city commissions and the Board of Supervisors within nine months of adoption of the Mid-Market Redevelopment Plan. The Board of Supervisors will formally establish the purchase price and establish an administrative entity once this study is complete and recommendations have been made.

General

- Expand the scope of the proposed housing and arts incentives by rezoning six Heavy Commercial District (C-M) and one Service, Light Industrial, Residential District (SLR) parcel south of Mission Street to C-3-G.

■ **Additional Documents and Findings**

In addition to the plan documents written by Agency staff and its consultants, redevelopment plan approval requires findings of consistency with the General Plan and changes to portions of the Planning Code. The consistency findings with the General Plan and amendments to the Planning Code, including the Mid-Market SUD and modifications to the Zoning Maps, are currently being drafted and will be considered by the Planning Commission in May 2005.

NEXT STEPS

The proposed Redevelopment Plan and draft Mid-Market SUD have been recommended for approval by the PAC. The Preliminary Report has been distributed to taxing entities as required by the CRL. The Final Report on the Redevelopment Plan will be completed in May 2005. The Planning Commission "initiated" its consideration of the draft Mid-Market SUD on April 14, 2005 and is scheduled to consider the proposed Redevelopment Plan's consistency with the General Plan, make its recommendation on the Redevelopment Plan and take action on the Mid-Market SUD in May 2005. When the Planning Commission has completed its actions, the Redevelopment Commission can consider approval of the Redevelopment Plan. Agency staff anticipates the Agency Commission will consider plan adoption in May 2005.

After both commissions have completed the above actions, the Board of Supervisors will hold a public hearing on the proposed Redevelopment Plan. After a first and second reading, the Board can adopt the Redevelopment Plan. Finally, after the Mayor signs the ordinance, Mid-Market will be an active Project Area.

(Originated by Lisa Zayas-Chien, Senior Planner)

Marcia Rosen
Executive Director

Attachments: A. Mid-Market Project Area and Special Use District Boundary Map
 B. Mid-Market Redevelopment Plan
 C. Mid-Market Special Use District

RESOLUTION NO. 153-2003

Adopted September 18, 2003

**CERTIFYING A FINAL ENVIRONMENTAL IMPACT REPORT
FOR THE PROPOSED MID-MARKET REDEVELOPMENT PLAN,
FOR A REDEVELOPMENT PROJECT AREA GENERALLY
LOCATED FROM FIFTH TO TENTH STREET,
ALONG THE MARKET AND MISSION STREETS CORRIDOR,
ENCOMPASSING 14 ASSESSOR'S BLOCKS, IN PORTION OR
ENTIRETY, AS FOLLOWS: 341, 342, 350, AND 355 (NORTH OF
MARKET STREET), 3507, 3508, 3509, 3701, 3702, 3703, 3704, 3725,
3727, AND 3728 (SOUTH OF MARKET STREET);
MID-MARKET REDEVELOPMENT SURVEY AREA**

BASIS FOR RESOLUTION

1. The City and County of San Francisco, acting through the Planning Department (hereinafter "Department") and the San Francisco Redevelopment Agency (hereinafter "Redevelopment Agency" or "SFRA"), acting as co-Lead Agencies, fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 et seq., hereinafter "CEQA Guidelines"), and Section 31 of the San Francisco Administrative Code (hereinafter "Section 31").
2. The Department and the Redevelopment Agency determined that an Environmental Impact Report (hereinafter "EIR") was required for the proposed project and provided public notice of that determination by publication in a newspaper of general circulation on August 21, 2001 (under prior Case No. 1996.545E).
3. On September 27, 2002, the Draft EIR for the Mid-Market Redevelopment Plan was mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the Draft EIR, to adjacent property owners, and to government agencies, the latter both directly and through the State Clearinghouse.
4. Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on September 28, 2002. Public notice of the availability of the Draft EIR and the Draft EIR public review period was provided as follows:

- A. On September 28, 2002, notice was published in a newspaper of general circulation of the availability of the Draft EIR for public review and comment and of the date and time of the Redevelopment Agency Commission's public hearing on the Draft EIR.
 - B. Notices of availability of the Draft EIR and of the date and time of the public hearing were posted near the project site by Redevelopment Agency staff on October 2-3, 2002; October 17-18, 2002; and on December 6, 2002.
 - C. Notice was also mailed to persons requesting such notice listed on lists maintained by the Redevelopment Agency and City Planning Department.
- 5. The Redevelopment Agency Commission held a duly advertised public hearing on said Draft EIR on October 29, 2002, at which public comment was received on the Draft EIR.
 - 6. The period for receipt of public comments on the Draft EIR ended on December 17, 2002.
 - 7. The Redevelopment Agency prepared responses to comments on environmental issues received at the public hearing and in writing during the 80-day public review period for the Draft EIR, prepared revisions to the text of the Draft EIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the Draft EIR. This material is contained in a "Draft EIR Comments and Responses" document, published on September 5, 2003, and distributed to all parties who commented on the Draft EIR, with additional copies available upon request at Department offices.
 - 8. The Agency staff in conjunction with the Planning Department recommends certification of the EIR, consisting of the Draft EIR and the comments and responses to the Draft EIR ("Comments and Responses").
 - 9. The Agency's public records pertaining to the proposed Final EIR are available for public review at the Redevelopment Agency, 770 Golden Gate Avenue, and are part of the record before the Redevelopment Agency Commission.
 - 10. On September 18, 2003, jointly with the Planning Commission, the Redevelopment Agency Commission reviewed and considered the Final EIR and hereby does find that the contents of said report and the procedures through which the Final Environmental Impact Report was prepared, publicized and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Section 31 of the San Francisco Administrative Code.
 - 11. The Final EIR indicates that the proposed Mid-Market Redevelopment Plan, if adopted, will have the following potentially significant environmental effects:
 - A. Will have a project-specific impact on Historic Resources, in that Development Opportunity Sites 1, 2, and 4 include structures that appear to be potential historic architectural resources. Unless further review were to find that the structure(s) did not

meet the criteria for eligibility as an historic resource, demolition of any of these structures will be a significant impact of implementation of the Mid-Market Redevelopment Plan.

- B. Will have a project-specific effect on Transit, in that with increased transit trips generated by implementation of the Mid-Market Redevelopment Plan, ridership on the Mission Corridor of the MUNI Southeast Screenline would increase from about 88 percent to 102 percent of capacity. Ridership on All Other Lines in the Southeast Screenline would increase from about 91 percent of capacity to about 106 percent of capacity. Overall, the Southeast Screenline would be at about 101 percent of capacity. This would be a significant environmental effect of the Mid-Market Redevelopment Plan on transit capacity at these screen lines.
- C. Will have a significant cumulative effect on Traffic. Cumulative effects are more speculative than project-specific effects, because analysis of the former depends on a prediction of future environmental changes beyond the development assumed with implementation of the proposed Mid-Market Redevelopment Plan. However the proposed Mid-Market Redevelopment Plan would make a considerable contribution to cumulative traffic increases at the Fifth/Mission and Sixth/Brannan intersections. The intersections would operate at LOS E under projected 2020 cumulative conditions, even with traffic mitigation measures that could be implemented by the City and County of San Francisco.
- D. Will have a cumulative significant cumulative effect on Transit, in that cumulatively by 2020, while overall peak-hour MUNI ridership would be less than projected capacity at screen lines, at the All Other Lines corridor in the Southeast Screenline, MUNI would operate at 108 percent of capacity. Future transit improvements or transit plans may address these MUNI capacity constraints, but the extent of such plans is not known at this time; therefore, this could be a significant cumulative impact on transit capacity. Project-related transit trips would be about 12 percent of total future trips on these lines. The Mid-Market Redevelopment Plan would thus have a considerable contribution to a significant cumulative effect on transit capacity.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco as follows:

1. Based on its review of the Draft EIR and the Responses and Comments (the "Final EIR") and the public comments submitted, finds that:
 - A. The Comments and Responses document contains no significant revisions to the Draft EIR, therefore no additional public review or public hearing is required;
 - B. That the Final EIR was completed in compliance with CEQA and the CEQA Guidelines; and
 - C. The Final EIR reflects the independent judgment and analysis of the Redevelopment Agency of the City and County of San Francisco, and is adequate, accurate and objective.
2. Based on the foregoing findings, certifies the Final EIR identified as case file No. 2002.0805E: Mid-Market Redevelopment Plan, as having been completed in accordance with CEQA and the State CEQA Guidelines.
3. Also determines that this resolution shall take effect concurrently with the Planning Commission's adoption of a parallel resolution certifying the Final EIR.

APPROVED AS TO FORM:

James B. Morales
Agency General Counsel



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ed Harrington
Controller

Monique Zmuda
Deputy Controller

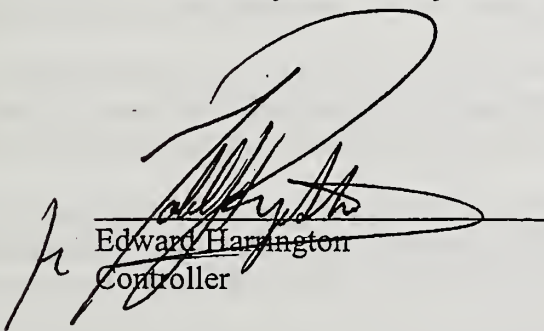
August 5, 2005

**THE REVISED REPORT OF
THE COUNTY FISCAL OFFICER
ON ASSESSED VALUES
AND
TAX REVENUES**

**Related to the
Proposed Plan for the
Mid-Market Redevelopment Project Area**

TO: San Francisco Board of Supervisors
San Francisco Unified School District
San Francisco Community College District
Bay Area Air Quality Management District
Bay Area Rapid Transit District
State Board of Equalization
San Francisco Redevelopment Agency

FROM: Office of the Controller
City and County of San Francisco


Edward Harrington
Controller

**San Francisco Redevelopment Agency
Mid-Market Redevelopment Project Area**

**List of Schedules
Required by Health and Safety Code Section 33328**

- A. Total assessed valuation of all taxable property within the Project Area as shown on the Base Year Assessment Roll.
- B. Identification of each taxing agency levying taxes in the Project Area.
- C. Ad Valorem tax revenues derived by each taxing agency from the base year assessment roll from the Project Area, including state subventions for homeowners, business inventory, and similar subventions.
- D. Total Ad Valorem tax revenues for each taxing agency from the entire City and County of San Francisco.
- E. Estimated first year taxes available to the Redevelopment Agency from the Project Area.
- F. Assessed valuation of the Project Area for the preceding year except for state assessed property on the Board roll.

Introduction

The San Francisco Redevelopment Agency (Agency) is in the process of completing a Redevelopment Plan (Redevelopment Plan) for the proposed Mid-Market Redevelopment Project Area (Project Area), located in downtown San Francisco, generally from Fifth Street to Tenth Street along the Market and Mission Street corridors. The Project Area encompasses 14 Assessor's Blocks in portion or in entirety: 341, 342, 350, 355 (North of Market), 3507, 3508, 3509, 3701, 3702, 3703, 3704, 3725, 3727, and 3728 (South of Market). The proposed Mid-Market boundary has been expanded slightly to include two new parcels in the southern corner of the project area (Block Lots 3509-041 and 3510-001).

The Redevelopment Plan is a 30-year program that would authorize the Agency to participate in certain projects and programs seeking to correct or alleviate documented physical and economic blighting conditions in the Project Area. It is proposed as an incremental, urban infill and rehabilitation program for private properties and public facilities within the Project Area. The Redevelopment Plan Goals and Objectives strive to encourage and assist in the development of a more land use intensive mixed-use district than currently exists with a special emphasis on increasing the ratio of residential development to other land uses; expanding existing arts, cultural and entertainment activities; aiding existing businesses and attracting new commercial development; rehabilitating existing commercial and residential space in historic buildings; providing for affordable housing units and affordable community-service office space; upgrading public streetscapes and transit facilities; and balancing transportation and parking.

As background, the City and County of San Francisco Board of Supervisors designated the Mid-Market Redevelopment Survey Area (Survey Area) in December 1995 under Resolution No. 1034-95. The Survey Area extends approximately from Fourth Street to Octavia Street along the Market and Mission Street corridors. In December 1996, the Planning Commission of the City and County of San Francisco adopted a Preliminary Plan for the Survey Area (Motion No. 14256). The Mid-Market Preliminary Plan is a general statement of land uses, layout of principal streets, population densities, building intensities, and standards proposed as the basis for redevelopment of the Survey Area. Since that time proposed Project Area boundaries have been delineated based on blight findings and encompasses a smaller territory than the Survey Area.

Pursuant to Section 33327 of the California Community Redevelopment Law (CRL), on July 11, 2005, the Agency transmitted updated files to the Board of Supervisors, the Controller, the Assessor, the Tax Collector of the City and County of San Francisco, the State Board of Equalization, and to all other affected taxing agencies, the following information:

1. A Statement of Preparation of the Redevelopment Plan for the Project Area,
2. A legal description of the boundaries of the Project Area, and
3. A map depicting the legal boundaries of the Project Area.

In addition, the Redevelopment Agency indicated that the use of the allocation of taxes pursuant to Section 33670 of the CRL would be utilized, whereby tax increments may be used for project financing, and that the last equalized assessment roll that would be used as the base year is fiscal year 2005-2006.

The above actions by the Agency require the Office of the Controller of the City and County of San Francisco to prepare and submit to the Agency and all affected taxing agencies a report containing the following information required under CRL Section 33328 et al, with respect to the Project Area:

- The total assessed valuation of all taxable property within the Project Area as shown on the base year assessment roll. – See Schedule A
- The identification of each taxing agency levying taxes in the Project Area. - See Schedule B

- The amount of tax revenue to be derived by each taxing agency from the base year assessment roll of the Project Area, including state subventions for homeowners, business inventory, and similar subventions. – See Schedule C
- For each taxing agency, its total ad valorem tax revenues from all property within its boundaries, whether inside or outside the Project Area. – See Schedule D
- The estimated first year taxes available to the Redevelopment Agency, if any, based on information submitted by the Redevelopment Agency, broken down by taxing agencies – See Schedule E
- The assessed valuation of the Project Area for the preceding year except for state assessed property on the Board roll. – See Schedule F

The above information is contained in this report.

Schedule A

San Francisco Redevelopment Agency
Mid-Market Redevelopment Project Area

Total Assessed Valuation of All Taxable Property
within the Project Area

(Base Year 2005-2006)

1. <u>Secured Roll</u>	<u>Assessed Values</u>
Land	\$ 222,557,347
Improvements	358,005,362
Personal Property	35,753,459
Homeowners' Exemptions	77,000
Other Exemptions	(17,947,052)
Total	\$ 598,446,116
1. <u>Unsecured Roll</u>	
Personal Property	\$ 22,659,737
2. <u>State Board Equalization Utility Roll</u>	
Land	\$ - 0 -
Improvements	- 0 -
Personal Property	- 0 -
Total	\$ - 0 -
GRAND TOTAL	\$ 621,105,853

Schedule B

San Francisco Redevelopment Agency Mid-Market Redevelopment Project Area

Identification of Each Taxing Agencies Levying Taxes in the Project Area

	2005-2006 Tax Rates for	
	<u>Secured Roll</u>	<u>Unsecured Roll</u>
City and County of San Francisco	0.64685541 ⁽¹⁾	0.64685541 ⁽¹⁾
San Francisco Community College District Fund	0.01444422	0.01444422
San Francisco Unified School District General Fund	0.07698857	0.07698857
Bay Area Air Quality Management District	0.00208539	0.00208539
Bay Area Rapid Transit District General Fund	0.00632528	0.00632528
Educational Revenue Augmentation Fund	<u>0.25330113</u>	<u>0.25330113</u>
Total General	1.00000000	1.00000000
Rates for Debt Service		
City and County of San Francisco	0.12012547	0.12838968
San Francisco Unified School District	0.01092226	0.00393518
San Francisco Community College District	0.00415227	0.01167514
Bay Area Rapid Transit District	<u>0.00480000</u>	<u>0.00000000</u>
Total Debt Service	<u>0.14000000</u>	<u>0.14400000</u>
Tax Rate	<u>1.14000000⁽²⁾</u>	<u>1.14400000</u>

⁽¹⁾ Tax rate includes Special Revenue Funds of the City and County of San Francisco.

⁽²⁾ Estimate pending approval of the Board of Supervisors of the City and County of San Francisco.

Schedule C

San Francisco Redevelopment Agency Mid-Market Redevelopment Project Area

Ad Valorem Tax Revenues Derived by Each Taxing Agency from the Base Year Assessment Roll of the Project Area (Base Year 2005-2006)

	<u>Secured Base Year Revenues</u>	<u>Unsecured Base Year Revenues</u>
City and County of San Francisco	\$ 3,871,081 ⁽¹⁾	\$ 146,576 ⁽²⁾
San Francisco Community College District Fund	86,441	3,273
San Francisco Unified School District General Fund	460,735	17,445
Bay Area Air Quality Management District	12,480	473
Bay Area Rapid Transit District General Fund	37,853	1,433
Educational Revenue Augmentation Fund	1,515,871	57,397
Total General	<u>\$ 5,984,461</u>	<u>\$ 226,597</u>
Debt Service		
City & County of San Francisco	\$ 718,887	\$ 29,092
San Francisco Unified School District	65,364	892
San Francisco Community College District	24,849	2,646
Bay Area Rapid Transit District	28,725	0
Total Debt Service	<u>\$ 837,825</u>	<u>\$ 32,630</u>
Total Tax Revenue	<u><u>\$ 6,822,286</u></u>	<u><u>\$ 259,227</u></u>

(1) This secured revenue amount includes \$478,757 for the Special Revenue Funds of the City and County of San Francisco.

(2) This unsecured revenue amount includes \$18,128 for the Special Revenue Funds of the City and County of San Francisco.

Schedule D

**San Francisco Redevelopment Agency
Mid-Market Redevelopment Project Area**

**Total Ad Valorem Tax Revenues for Each Taxing Agency
from the Entire City and County of San Francisco**

(Base Year 2005-2006)

<u>Taxing Agency</u>	<u>Revenues from</u>	
	<u>Secured Roll</u>	<u>Unsecured Roll</u>
City and County of San Francisco	\$ 560,181,278 ⁽¹⁾ 79,058,083 ⁽²⁾ 118,711,118 ⁽³⁾	\$ 40,160,009 ⁽¹⁾ 5,667,761 ⁽²⁾ 9,096,025 ⁽³⁾
San Francisco Community College District	18,377,536	1,850,479
San Francisco Unified School District	86,875,772	5,733,206
Bay Area Air Quality Management District	2,060,837	147,744
Bay Area Rapid Transit District	10,994,291	448,127
Educational Revenue Augmentation Fund	250,318,773	17,945,627
	<u>\$1,126,577,688</u>	<u>\$ 81,048,978</u>

⁽¹⁾ General Fund of the City and County of San Francisco.

⁽²⁾ Special Revenue Funds of the City and County of San Francisco.

⁽³⁾ General Obligation Debt Service of the City and County of San Francisco.

Schedule E**San Francisco Redevelopment Agency
Mid-Market Redevelopment Project Area****Estimated First Year Tax Increment Available to the Redevelopment Agency
from the Project Area****Estimated 2006-2007 Assessed Value**

Secured	\$ 598,446,116 ⁽¹⁾
Redevelopment Tax Rate –secured	1.000% ⁽³⁾
Secured Tax Amount on Assessed Value	\$ 5,984,461
Unsecured	\$ 22,659,737 ⁽⁵⁾
Redevelopment Tax Rate –unsecured	1.000% ⁽³⁾
Unsecured Tax Amount on Assessed Value	\$ 226,597

Total Estimated 2006-2007 Tax Amount on Assessed Value \$ 6,211,058

2005-2006 Assessed Value ⁽²⁾

Secured	\$ 598,446,116
Redevelopment Tax Rate - secured	1.000% ⁽⁴⁾
Secured Tax Amount on Assessed Value	\$ 5,984,461
Unsecured	\$ 22,659,737
Redevelopment Tax Rate - unsecured	1.000% ⁽⁴⁾
Unsecured Tax Amount on Assessed Value	\$ 226,597

Total Estimated 2005-2006 Tax Amount on Assessed Value \$ 6,211,058

Estimated First Year Tax Increment Available to the Redevelopment Agency \$ 0

¹⁾ This assessed value is subject to change based on new construction, consumer price index adjustment, and change of ownership that may occur as of January 1, 2006.

²⁾ Assessed value is provided by the Assessor's Office of the City and County of San Francisco.

³⁾ Assume the 2006-2007 tax rate remains unchanged. The actual tax increment will be calculated based on the actual 2006-2007 tax rate.

⁴⁾ The Citywide tax rate of \$1.140 per \$100 assessed value is used to levy taxes on secured taxable properties in the redevelopment project area for 2005-06. The Redevelopment Agency (RDA) tax rate is used only to determine the tax increment available to the RDA. The RDA tax rate is lower than the Citywide tax rate because pursuant to Section 33670(e) of the Health & Safety Code, RDA is not entitled to the revenues produced from the portion of the tax rate levied to repay the City's bonded indebtedness for the acquisition or improvement of real property that is approved by the City's voters on or after January 1, 1989.

⁵⁾ Assume the 2006-2007 total unsecured assessed value remains unchanged from the 2005-2006 total unsecured assessed value.

Schedule F

**San Francisco Redevelopment Agency
Mid-Market Redevelopment Project Area**

**Assessed Valuation of the Project Area for the Preceding Year Except for State
Assessed Property on the Board Roll**

Assessment of the Project Area

Secured Roll	\$ 589,642,690
Unsecured Roll	\$ 33,477,619



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ed Harrington
Controller

Monique Zmuda
Deputy Controller

August 5, 2005

Mr. David J. Martin
Supervisor, Tax Area Services
State Board of Equalization
450 N. Street, MIC 59
P.O. Box 942879
Sacramento, CA 94279-0059

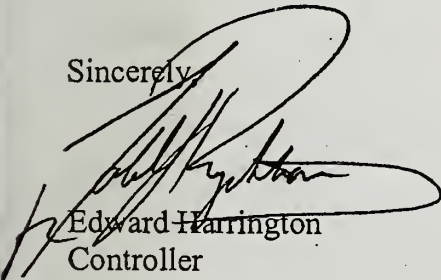
Subject: County Auditor's Revised Report on the Proposed Plan for Mid-Market Redevelopment Project Area

Dear Mr. Martin:

The San Francisco Redevelopment Agency is in the process of completing a Redevelopment Plan for the proposed Mid-Market Redevelopment Project Area. On December 9, 2004, a County Fiscal Officer's Report with a base year of FY 2004-05 was issued for the Project Area. Subsequently, on July 11, 2005, the Redevelopment Agency indicated its intention to use the last equalized assessment roll of FY 2005-06 as the base year for the allocation of taxes pursuant to Section 33670 of the Health and Safety Code (Code).

In accordance with Section 33328.5 of the Code, the Office of the Controller has prepared the enclosed Revised Report of the County Fiscal Officer on Assessed Values and Tax Revenues related to the Mid-Market Redevelopment Project Area. This report is being transmitted to the Board of Supervisors, each of the taxing agencies, and the State Board of Equalization.

Sincerely,



Edward Harrington
Controller

Enclosures



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ed Harrington
Controller

Monique Zmuda
Deputy Controller

August 5, 2005

Mr. Thomas Margro
General Manager
Bay Area Rapid Transit District
800 Madison Street
P.O. Box 12688
Oakland, CA 94604-2688

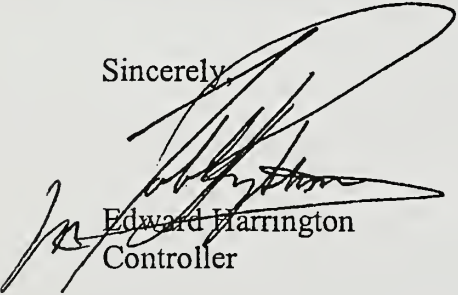
Subject: County Auditor's Revised Report on the Proposed Plan for Mid-Market Redevelopment Project Area

Dear Mr. Margro:

The San Francisco Redevelopment Agency is in the process of completing a Redevelopment Plan for the proposed Mid-Market Redevelopment Project Area. On December 9, 2004, a County Fiscal Officer's Report with a base year of FY 2004-05 was issued for the Project Area. Subsequently, on July 11, 2005, the Redevelopment Agency indicated its intention to use the last equalized assessment roll of FY 2005-06 as the base year for the allocation of taxes pursuant to Section 33670 of the Health and Safety Code (Code).

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Sincerely,



Edward Harrington
Controller

Enclosures



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ed Harrington
Controller

Monique Zmuda
Deputy Controller

August 5, 2005

Dr. Phillip R. Day
Chancellor
San Francisco Community College District
50 Phelan Avenue
San Francisco, CA 94112

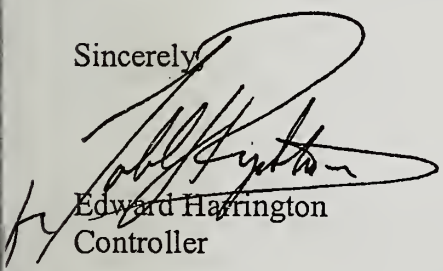
Subject: County Auditor's Revised Report on the Proposed Plan for Mid-Market Redevelopment Project Area

Dear Dr. Day:

The San Francisco Redevelopment Agency is in the process of completing a Redevelopment Plan for the proposed Mid-Market Redevelopment Project Area. On December 9, 2004, a County Fiscal Officer's Report with a base year of FY 2004-05 was issued for the Project Area. Subsequently, on July 11, 2005, the Redevelopment Agency indicated its intention to use the last equalized assessment roll of FY 2005-06 as the base year for the allocation of taxes pursuant to Section 33670 of the Health and Safety Code (Code).

In accordance with Section 33328.5 of the Code, the Office of the Controller has prepared the enclosed Revised Report of the County Fiscal Officer on Assessed Values and Tax Revenues related to the Mid-Market Redevelopment Project Area. This report is being transmitted to the Board of Supervisors, each of the taxing agencies, and the State Board of Equalization.

Sincerely,


Edward Harrington
Controller

Enclosures



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ed Harrington
Controller

Monique Zmuda
Deputy Controller

August 5, 2005

Ms. Arlene Ackermen
Superintendent of Schools
San Francisco Unified School District
555 Franklin St., 3rd Floor
San Francisco, CA 94102

Subject: County Auditor's Revised Report on the Proposed Plan for Mid-Market Redevelopment Project Area

Dear Ms. Ackermen:

The San Francisco Redevelopment Agency is in the process of completing a Redevelopment Plan for the proposed Mid-Market Redevelopment Project Area. On December 9, 2004, a County Fiscal Officer's Report with a base year of FY 2004-05 was issued for the Project Area. Subsequently, on July 11, 2005, the Redevelopment Agency indicated its intention to use the last equalized assessment roll of FY 2005-06 as the base year for the allocation of taxes pursuant to Section 33670 of the Health and Safety Code (Code).

In accordance with Section 33328.5 of the Code, the Office of the Controller has prepared the enclosed Revised Report of the County Fiscal Officer on Assessed Values and Tax Revenues related to the Mid-Market Redevelopment Project Area. This report is being transmitted to the Board of Supervisors, each of the taxing agencies, and the State Board of Equalization.

Sincerely,


Edward Harrington
Controller

Enclosures



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ed Harrington
Controller

Monique Zmuda
Deputy Controller

August 5, 2005

Mr. Jack P. Broadbent
Chief Executive Officer
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

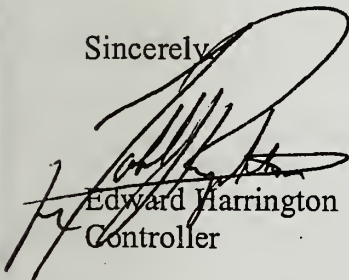
Subject: County Auditor's Revised Report on the Proposed Plan for Mid-Market Redevelopment Project Area

Dear Mr. Broadbent:

The San Francisco Redevelopment Agency is in the process of completing a Redevelopment Plan for the proposed Mid-Market Redevelopment Project Area. On December 9, 2004, a County Fiscal Officer's Report with a base year of FY 2004-05 was issued for the Project Area. Subsequently, on July 11, 2005, the Redevelopment Agency indicated its intention to use the last equalized assessment roll of FY 2005-06 as the base year for the allocation of taxes pursuant to Section 33670 of the Health and Safety Code (Code).

In accordance with Section 33328.5 of the Code, the Office of the Controller has prepared the enclosed Revised Report of the County Fiscal Officer on Assessed Values and Tax Revenues related to the Mid-Market Redevelopment Project Area. This report is being transmitted to the Board of Supervisors, each of the taxing agencies, and the State Board of Equalization.

Sincerely,



Edward Harrington
Controller

Enclosures



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ed Harrington
Controller

Monique Zmuda
Deputy Controller

August 5, 2005

Supervisor Aaron Peskin
President, Board of Supervisors
City and County of San Francisco
City Hall, Room 244
#1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

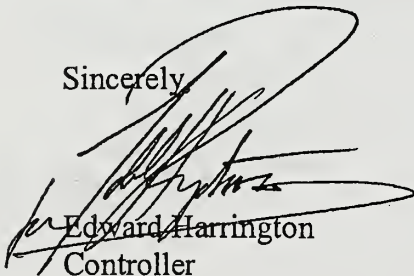
Subject: County Auditor's Revised Report on the Proposed Plan for Mid-Market Redevelopment Project Area

Dear Supervisor Peskin:

The San Francisco Redevelopment Agency is in the process of completing a Redevelopment Plan for the proposed Mid-Market Redevelopment Project Area. On December 9, 2004, a County Fiscal Officer's Report with a base year of FY 2004-05 was issued for the Project Area. Subsequently, on July 11, 2005, the Redevelopment Agency indicated its intention to use the last equalized assessment roll of FY 2005-06 as the base year for the allocation of taxes pursuant to Section 33670 of the Health and Safety Code (Code).

In accordance with Section 33328.5 of the Code, the Office of the Controller has prepared the enclosed Revised Report of the County Fiscal Officer on Assessed Values and Tax Revenues related to the Mid-Market Redevelopment Project Area. This report is being transmitted to the Board of Supervisors, each of the taxing agencies, and the State Board of Equalization.

Sincerely,



Edward Harrington
Controller

Enclosures



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ed Harrington
Controller

Monique Zmuda
Deputy Controller

August 5, 2005

Ms. Marcia Rosen
Executive Director
San Francisco Redevelopment Agency
770 Golden Gate Avenue
San Francisco, CA 94102

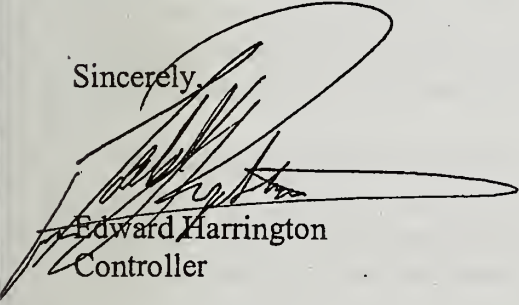
Subject: County Auditor's Revised Report on the Proposed Plan for Mid-Market Redevelopment Project Area

Dear Ms. Rosen:

The San Francisco Redevelopment Agency is in the process of completing a Redevelopment Plan for the proposed Mid-Market Redevelopment Project Area. On December 9, 2004, a County Fiscal Officer's Report with a base year of FY 2004-05 was issued for the Project Area. Subsequently, on July 11, 2005, the Redevelopment Agency indicated its intention to use the last equalized assessment roll of FY 2005-06 as the base year for the allocation of taxes pursuant to Section 33670 of the Health and Safety Code (Code).

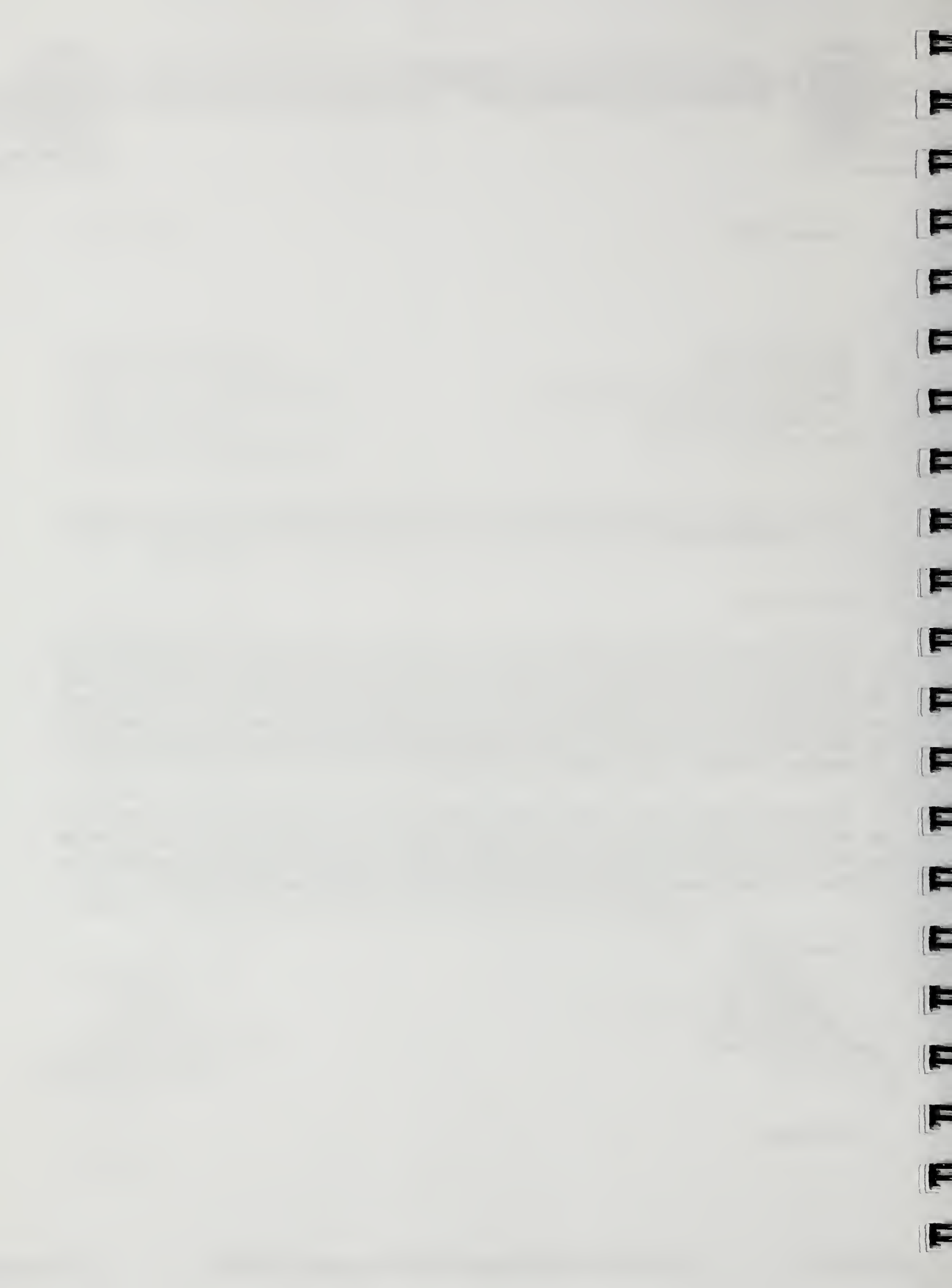
In accordance with Section 33328.5 of the Code, the Office of the Controller has prepared the enclosed Revised Report of the County Fiscal Officer on Assessed Values and Tax Revenues related to the Mid-Market Redevelopment Project Area. This report is being transmitted to the Board of Supervisors, each of the taxing agencies, and the State Board of Equalization.

Sincerely,



Edward Harrington
Controller

Enclosures



Appendix J: Summary of Consultations with Affected Taxing Agencies

- **Distribution of Copies of the Preliminary Report**

On December 9, 2004, copies of the Preliminary Report for the Mid-Market Redevelopment Project were distributed, by certified mail, for review and comment, to all affected taxing agencies.

- **Direct Staff Contacts with Taxing Agencies**

In addition to the distribution by mail of the Preliminary Report, Agency staff contacted each affected taxing agency by telephone to inform them that the Preliminary Report would be mailed and get the name of the appropriate person to whom the Preliminary Report should be sent. The following individuals were contacted and received a copy of the Preliminary Report:

John Belmont, Controller
San Francisco Community College District

Bill Norton, Control Officer
Bay Area Air Quality Management District

John Queen, Attorney
San Francisco Unified School District

Scott Schroeder, Controller Treasurer
Bay Area Rapid Transit District

Edward Harrington, Controller
City and County of San Francisco

- **Comments Received from Taxing Agencies and Agency Responses**

The Agency's letter to the taxing agencies requested written comments to the Preliminary Report and suggested possible times when representatives of the taxing agencies could meet at the Agency where comments and questions could be recorded and transcribed.

As of the date of this Report on the Redevelopment Plan, the Agency has not received any comments from the affected taxing agencies on the Transbay Redevelopment Project. No representatives of the affected taxing agencies chose to attend any meetings at the Agency.

The taxing agencies will have another opportunity to comment on the proposed Redevelopment Plan at or prior to the public hearings of the Agency Commission and Board of Supervisors. Notice of these hearings will be sent certified mail to affected taxing agencies at least 30 days prior to the hearing of the Agency Commission and the Board of Supervisors.

Appendix K: Photographic Documentation

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



Tenth Street, between Market and Jessie. Three-story dilapidated commercial building. Peeling paint, vacant, ground floor boarded-up.

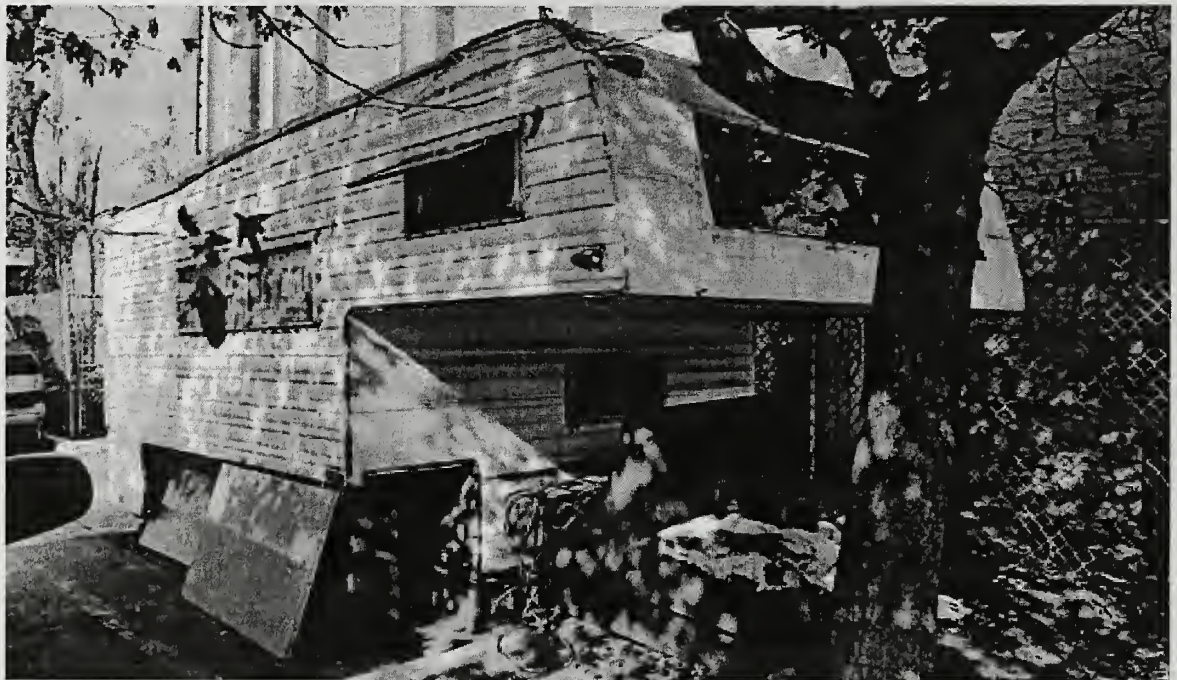


Tenth Streets, between Market and Jessie (detail). Three-story dilapidated commercial building. Boarded-up entrance & windows, damaged walls, deteriorated windows, and graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



Jessie Street adjacent to Tenth Street, between Mission and Market. Homeless encampment, unsafe and unhealthy.

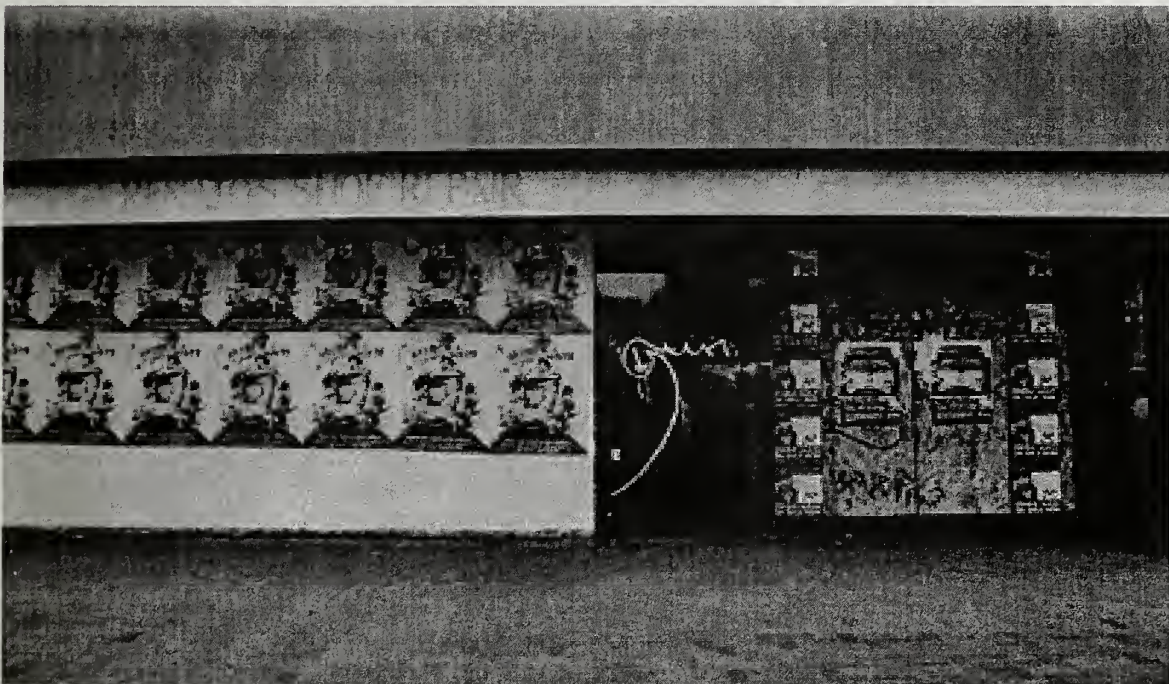


Near corner of Tenth & Mission. Camper, trash and debris, unsafe and unhealthy.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1435 Market Street. Large, deteriorated commercial building. Vacant boarded-up ground floor.



1435 Market Street (detail). Large, deteriorated commercial building. Vacant boarded-up ground floor, graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1435 Market Street. Extensive physical deterioration. Vacant ground floor storefronts.



1435 Market Street (detail). Extensive physical deterioration. Boarded-up entrances. Vacant ground floor, graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



80-98 9th Street. Dilapidated brick building. Serious cracking in wall, mortar erosion.



80-98 9th Street (detail). Dilapidated brick-building. Deteriorated cornices with significant cracks.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1349 Mission Street. Deteriorated stucco facade with extensive deferred maintenance.



1349 Mission Street (Grace Street side of building). Deteriorated stucco façade, graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



36-38 Laskie Street. Deteriorated 2-story residential building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1270 Mission Street. Deferred maintenance, extensive graffiti.



1270 Mission Street (rear). Extensive deferred maintenance. Substantial debris, litter, trash, and garbage, unsafe and unhealthy.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1284 Mission Street, deteriorated. Deteriorated brick building. Broken awning, serious cracking in walls.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1284 Mission Street (detail). Deteriorated, mixed-use building with extensive deferred maintenance, graffiti.



1280 Mission Street (detail). Extensive deterioration. Damaged façade. Debris accumulation and graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1280 Mission Street (detail). Adult use.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



79-85 9th Street. Deteriorated, mixed-use building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



85-9th Street (rear). Extensive deferred maintenance. Faded paint, deteriorated windows, and evidence of water damage.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



79-85-9th Street (rear). Reinforcing bar corrosion, concrete spalling, serious wall cracks, and water damage.



36-38 Laskie. Dilapidated 2-story residential buildings. Substandard curb, subsided sidewalk.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1135-1139 Market Street. Deteriorated masonry building. Early retrofit. Potentially unsafe.



1135-1139 Market Street (detail, rear). Deteriorated masonry walls. Potentially unsafe. Graffiti, boarded-up rear entrance.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION

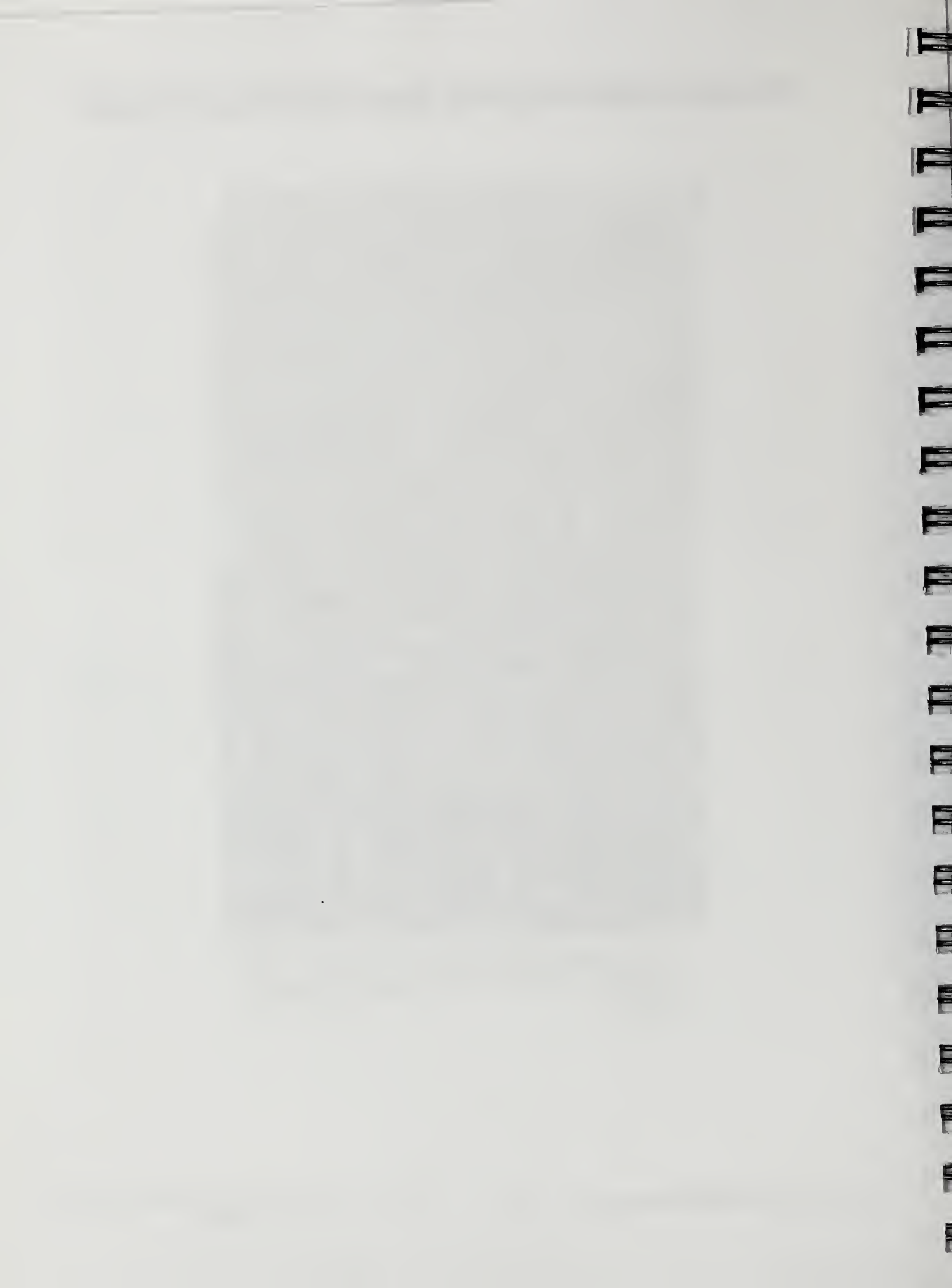


1135-1139 Market Street (detail). Deteriorated unreinforced masonry building. Potentially unsafe. Mortar erosion. Graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



Vacant lot adjacent to 1135-1139 Market Street. Trash and debris accumulation, extensive graffiti, unsafe and unhealthy.



SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION

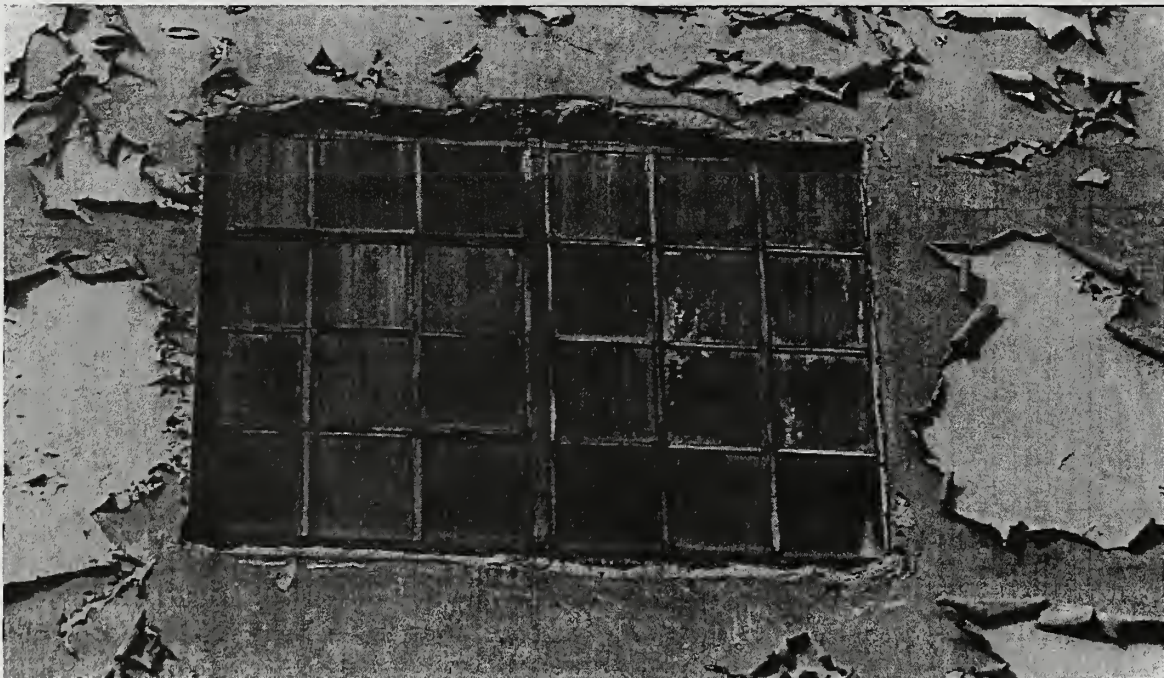


Rear of 8-story SFFD building adjacent to 424 Jessie Street. Significant peeling paint, broken windows, deteriorated window frames.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



SFFD building (detail). Peeling paint, graffiti, broken windows, deteriorated window frames.



SFFD building (detail). Deteriorated windows, and peeling paint.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



424 Jessie Street. Deteriorated 8-story commercial building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



Northwest corner of 5th and Mission Streets. Historic United States Mint (circa 1870). Badly deteriorated. Cracked stone work, water damage, etc. Potentially hazardous stone construction.



Northwest corner of 5th and Mission Streets. Historic United States Mint (circa 1870, detail). Badly deteriorated and potentially hazardous stone construction.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



960 Mission Street. Deteriorated 2-story building. Gated clothing manufacturing operation. Cracking along foundation.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



443-445 Stevenson Street. Deteriorated 2-story brick commercial building. Broken windows.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



949-961 Market Street. Deteriorated 2-story theater and commercial building. Vacant. Extensive deferred maintenance, graffiti. Boarded-up ground floor.



949-961 Market Street (detail). Extensive deferred maintenance, deteriorated windows and doors, broken windows, graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



950 Mission Street. Deteriorated 4-story commercial building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



929-933 Market Street. Deteriorated 4-story commercial building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



950 Mission Street (detail). Extensive deferred maintenance, graffiti, peeling and faded paint.



929-933 Market Street (detail). Extensive deferred maintenance. Deteriorated windows and doors. Graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



925 Market Street. Badly deteriorated masonry building. Extensive graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION

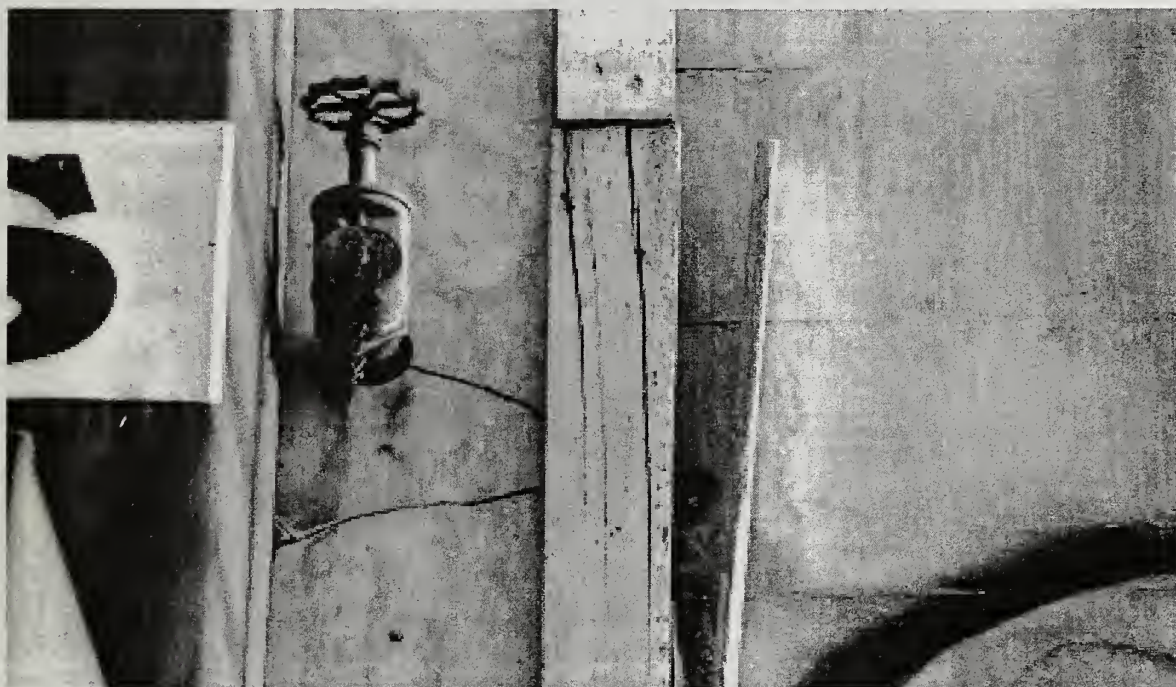


923 Market Street. Dilapidated masonry building. Damaged walls. Deteriorated windows and door frames. Extensive graffiti.

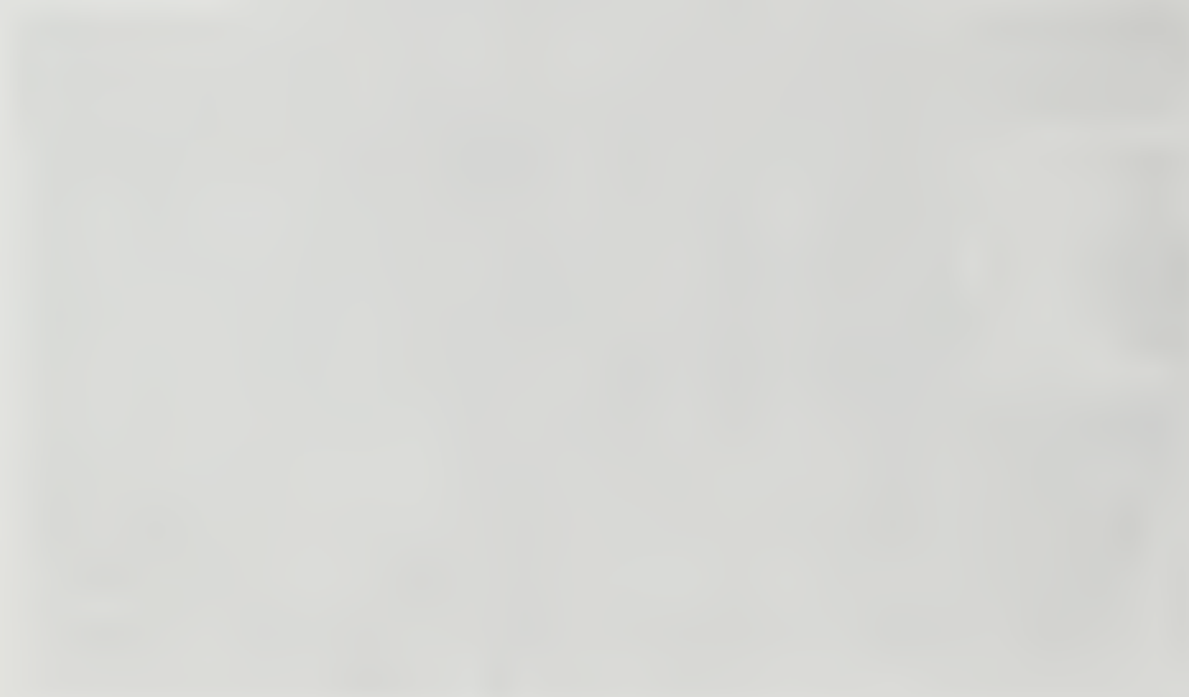
SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



925 Market Street (detail). Extensive deferred maintenance, deteriorated eaves and corbels, serious cracking, faded and peeling paint.



923 Market Street (detail). Extensive deferred maintenance, serious wall cracks, graffiti.

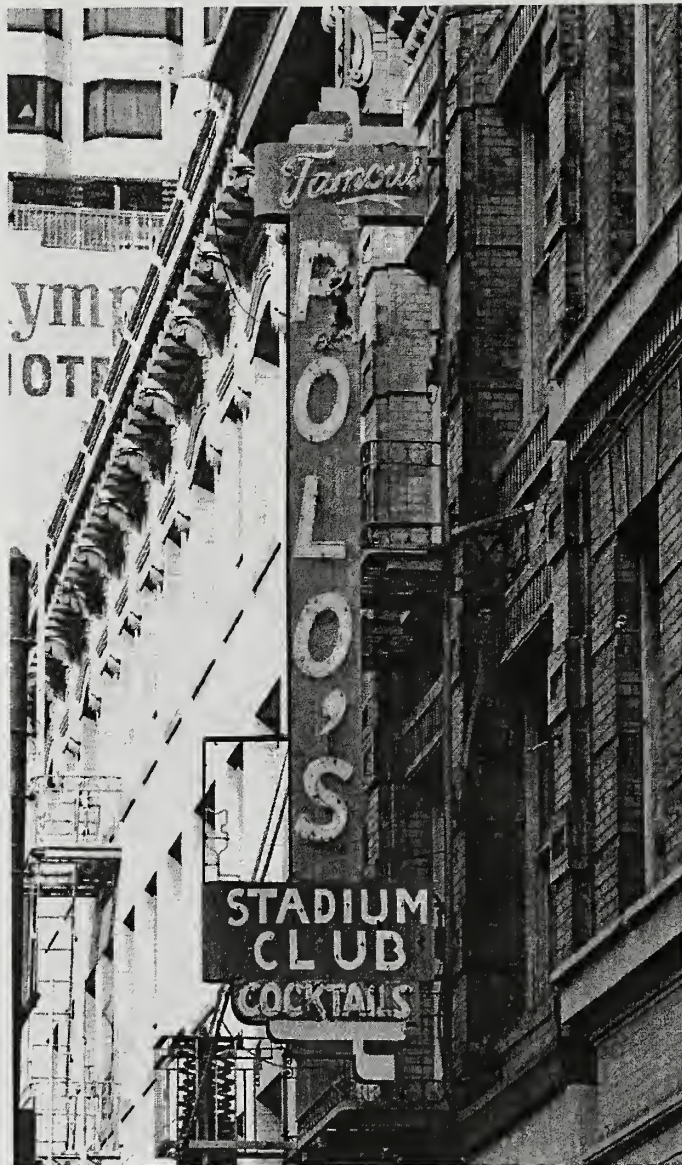


SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



34-38 Mason Street. Deteriorated 3-story commercial building, extensive deferred maintenance, boarded-up windows, deteriorated windows and doors, and graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



34-38 Mason Street. Extensive deferred maintenance, deteriorated signage.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



56 Mason Street. Deteriorated 7-story commercial building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



45 Turk Street. Unreinforced masonry building listed by the City. Dilapidated. Serious wall cracks. Unsafe and unhealthy.



45 Turk Street (detail). Badly deteriorated masonry, eaves, corbels, windows, Mortar erosion. Unsafe and unhealthy.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION

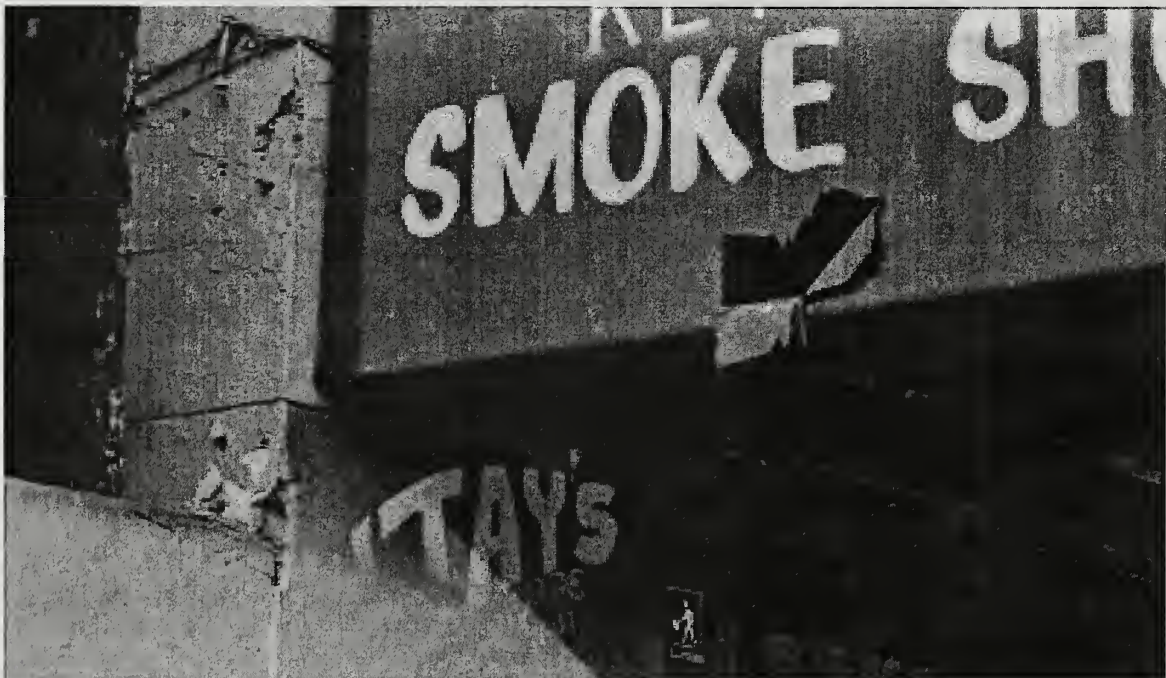


53 Turk Street. Three-story badly deteriorated building. Listed by the City as unreinforced masonry building. Boarded-up doors and windows. Potentially unsafe.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION

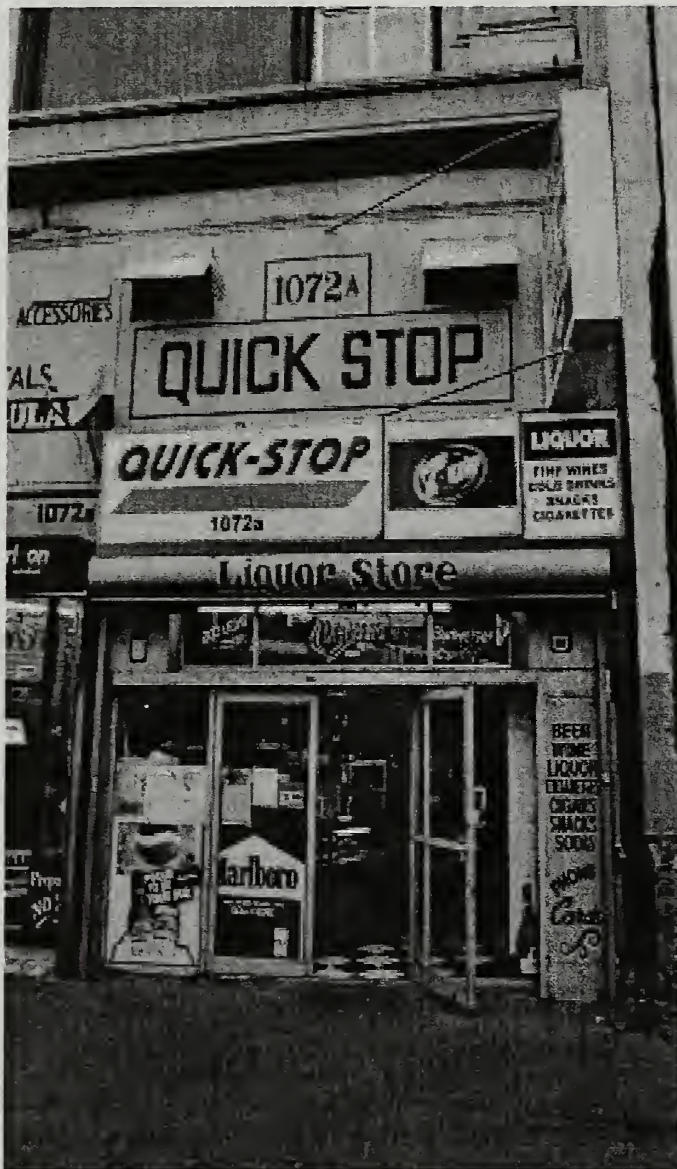


53 Turk Street (detail). Badly deteriorated unreinforced masonry building. Serious cracking in walls. Boarded-up doors and windows. Graffiti. Potentially unsafe.



1032-1054 Market Street (detail). Extensive deferred maintenance, deteriorated signage, serious wall cracking, peeling paint.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1072A Market Street. Deteriorated commercial building, extensive deferred maintenance. Liquor sales.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



20-24 6th Street. Badly deteriorated 5-story hotel building. Deteriorated signage, evidence of water damage, substandard undulating sidewalk.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



20-24 6th Street, extensive deferred maintenance, deteriorated windows, deteriorated signage, and water damage.



20-24 6th Street, serious wall cracks, missing signage, and peeling paint.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



28 6th Street. Deteriorated commercial building. Listed by the City as unreinforced masonry building.



28 6th Street (detail). Serious wall cracks adjacent to sidewalk. Graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



538 Jessie Street. Badly deteriorated 2-story commercial building.

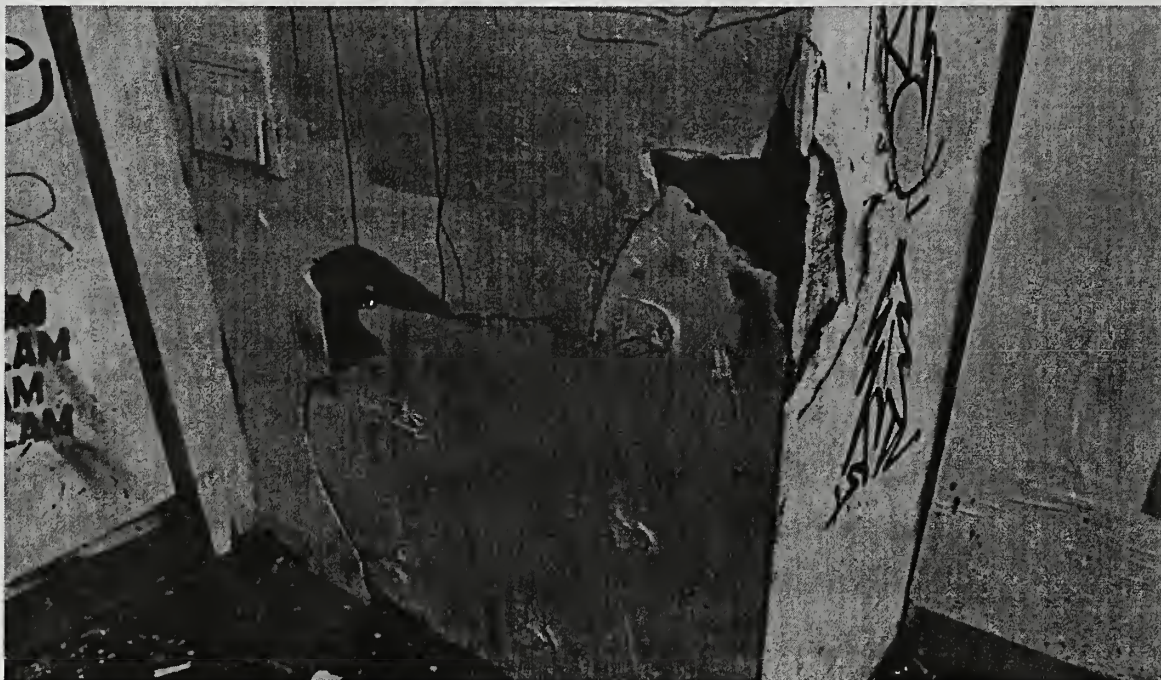


538 Jessie Street (detail). Extensive deferred maintenance, deteriorated loading door and windows, serious wall cracks, and graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1029 Market Street. Deteriorated 2-story commercial building, extensive graffiti.



1029 Market Street. Extensive deferred maintenance, serious wall damage, and graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1029 Market Street (detail). Vandalized ground floor entrance to upper floors. Graffiti. Wall damage.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1087 Market Street. Deteriorated 7-story hotel building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION

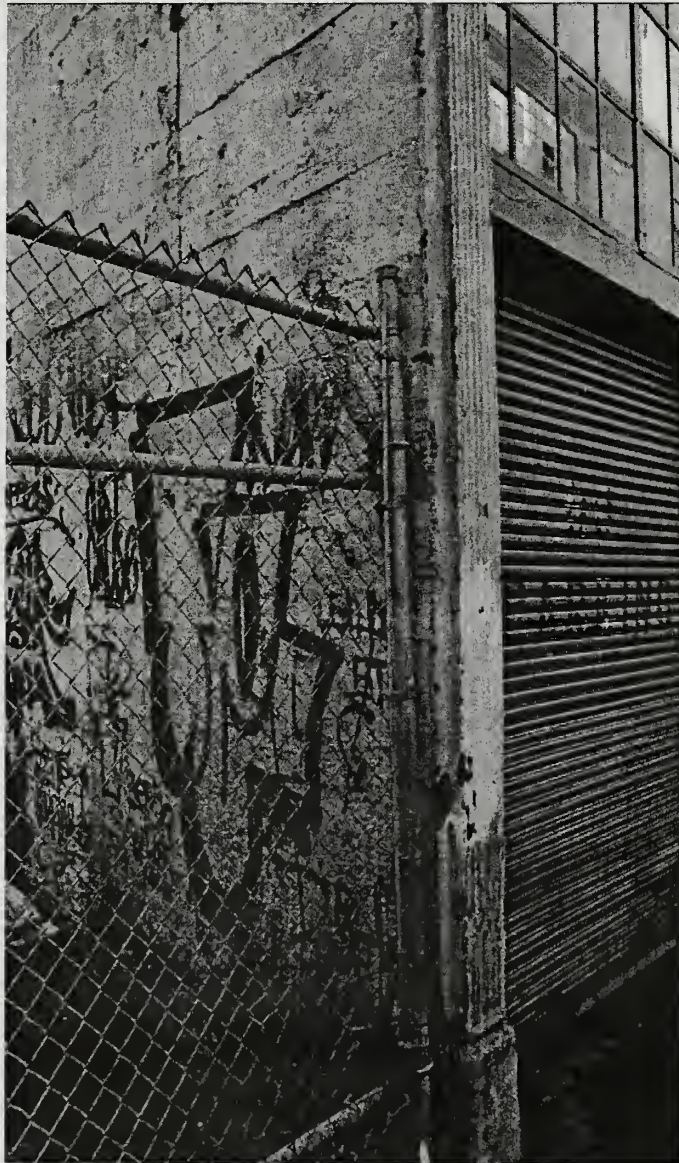


1087 Market Street (detail, rear). Extensive deferred maintenance, deteriorated masonry walls, deteriorated windows.



531 Jessie Street. Badly deteriorated commercial building, extensive deferred maintenance, boarded-up windows, deteriorated window and door frames, and serious cracking on sidewalk.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION

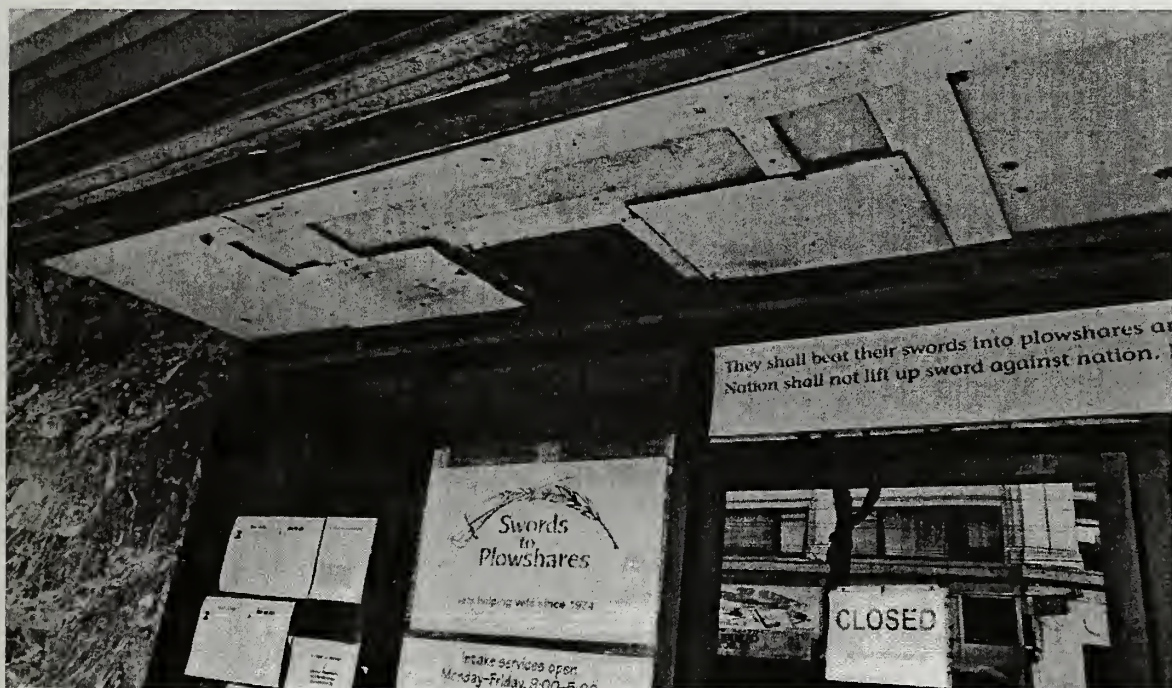


531 Jessie Street (detail). Extensive deferred maintenance, graffiti, badly deteriorated side wall with cracking and extensive graffiti.

SFRA MIDMARKET BLIGHT PHOTO DOCUMENTATION



1063 Market Street. Dilapidated building façade. Damaged brick walls.



1063 Market Street. Extensive deferred maintenance and damaged ceiling.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION

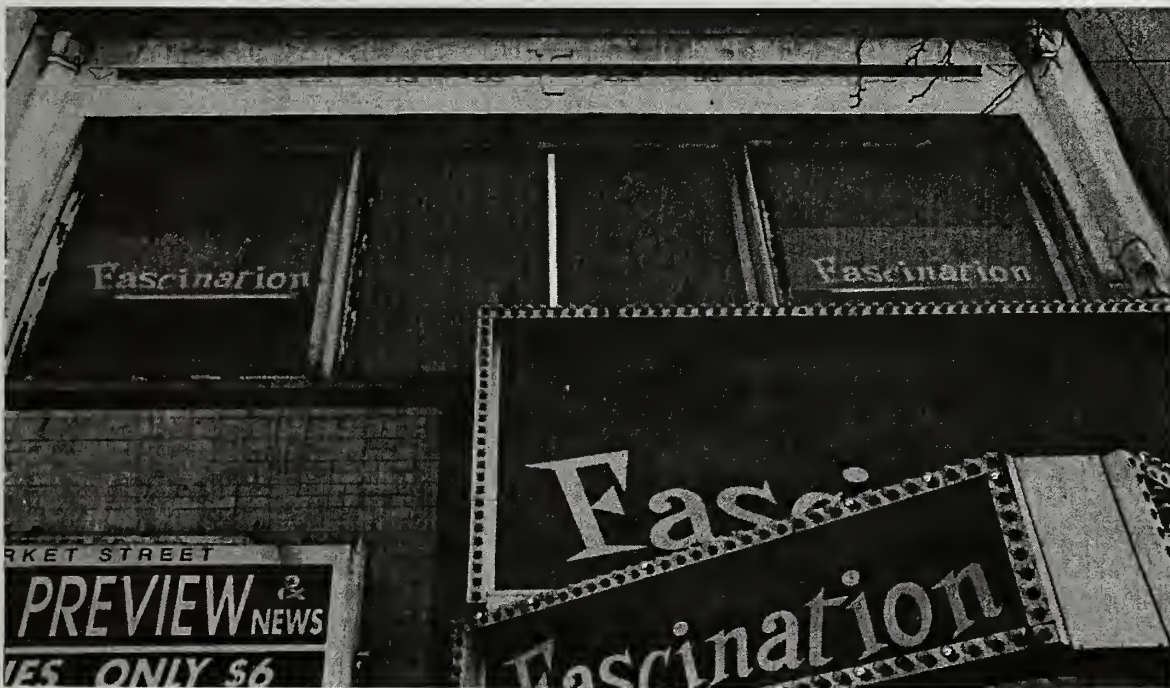


1023 Market Street, deteriorated 3-story commercial building. Listed by City as unreinforced masonry building.

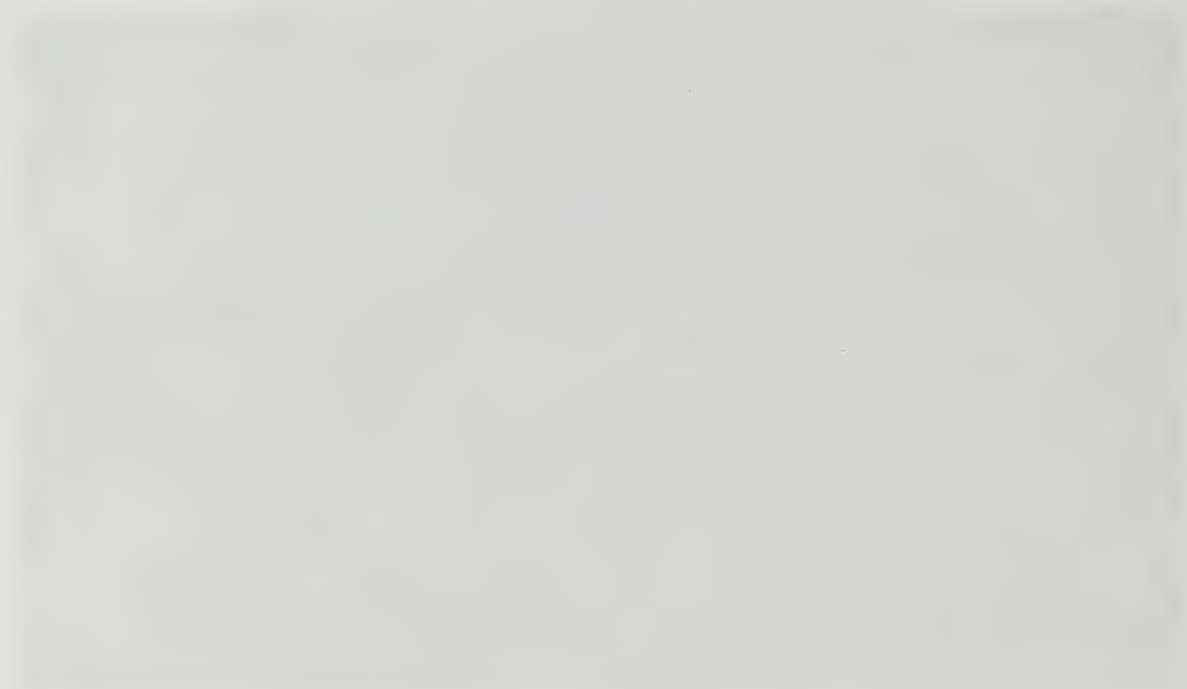
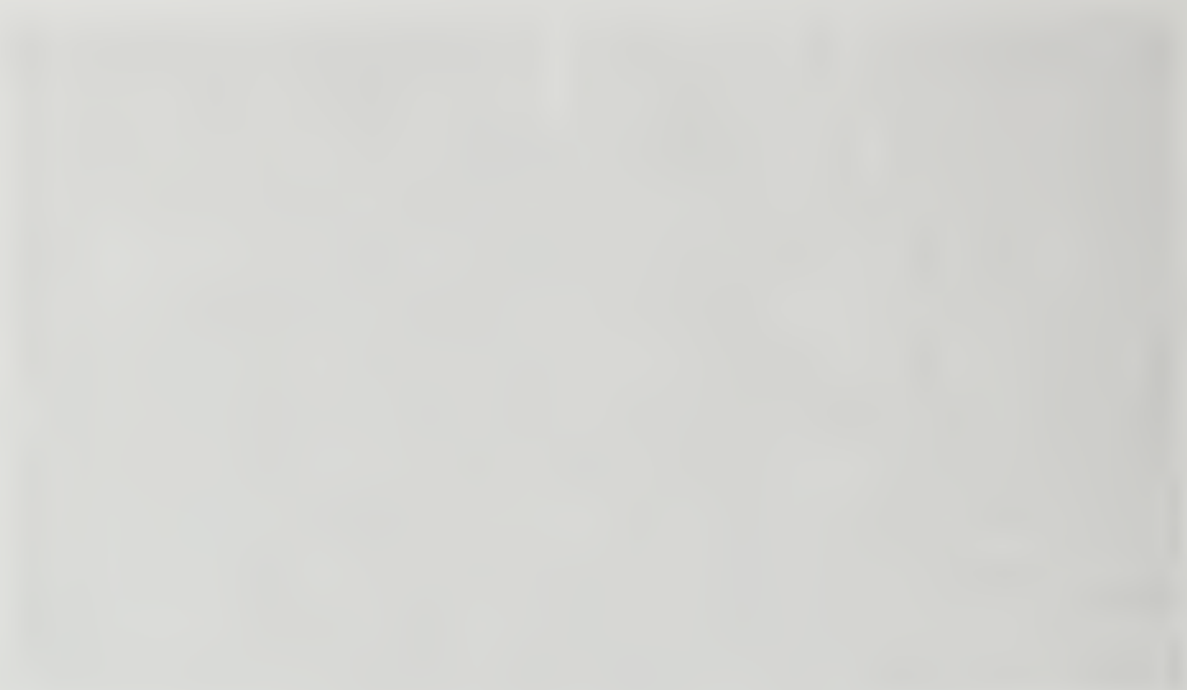
SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1023 Market Street (detail). Serious and potential hazardous cracks in decorative trim.



1025 Market Street. Extensive deferred maintenance; deteriorated windows, signage; and wall cracks.



SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1355 Market Street. Large wholesale mart building (circa 1937). Deteriorated.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1355 Market Street (detail). Wholesale Mart building (rear). Extensive deferred maintenance, concrete spalling, extensive wall cracks, and missing windows

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1355 Market Street (detail). Wholesale mart building (rear). Earthquake cracking of concrete walls and deferred maintenance.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1355 Market Street (detail). Wholesale mart building (9th Street side). Extensive deferred maintenance, deteriorated doors and windows, and graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



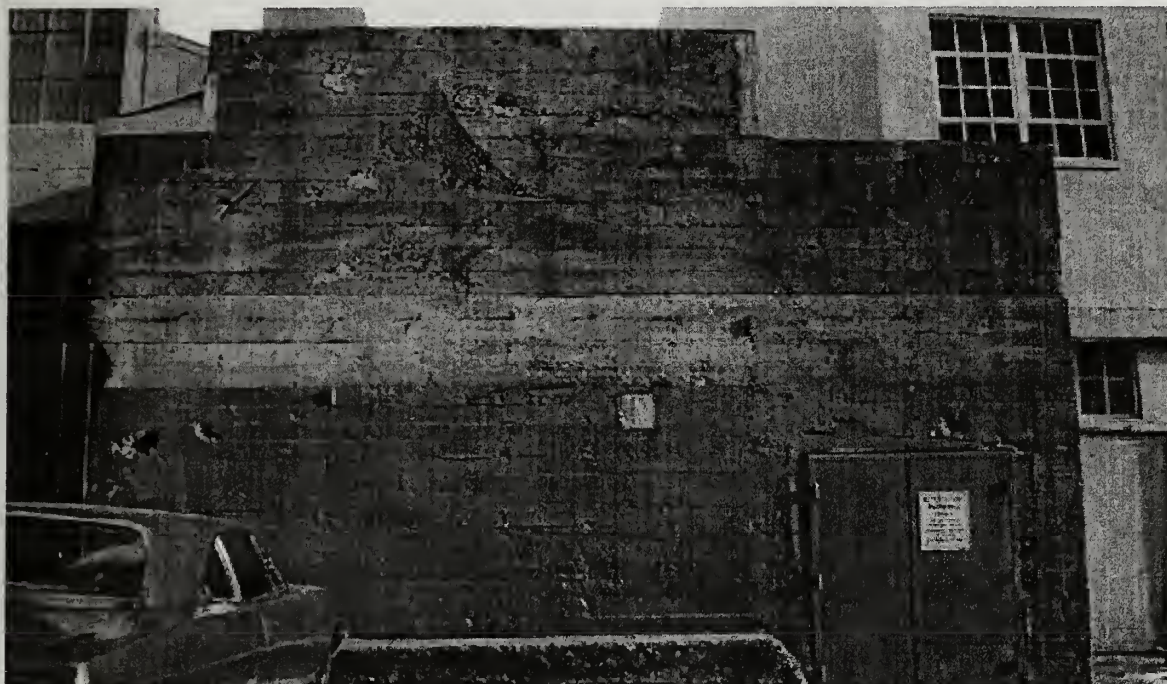
1340 Mission Street. Deteriorated 2-story commercial building. Note also: serious cracks in street and undulating sidewalk.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1340 Mission Street (detail). Extensive deferred maintenance, serious wall cracks, deteriorated windows, and graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1340 Mission Street (detail, rear). Substandard concrete construction and extensive deferred maintenance.



1360-1366 Mission Street. Deteriorated 4-story commercial building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1306 Mission Street. Deteriorated 2-story commercial building

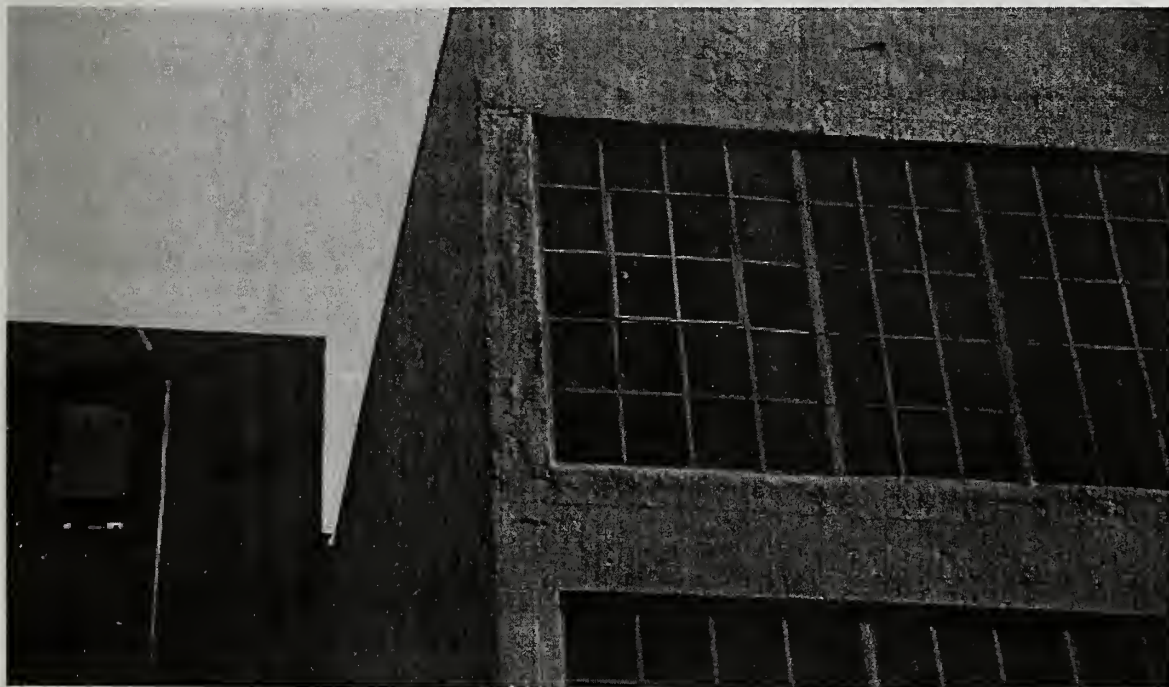


1306 Mission Street (detail). Extensive deferred maintenance, deteriorated windows and doors, and graffiti

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1338 Mission Street. Deteriorated 3-story commercial building. Serious wall cracking and deteriorated windows.



1338 Mission Street (detail, rear). Deteriorated 3-story commercial building. Deteriorated concrete walls and windows. Serious cracking.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1339 Mission Street. Deteriorated 2-story commercial building.

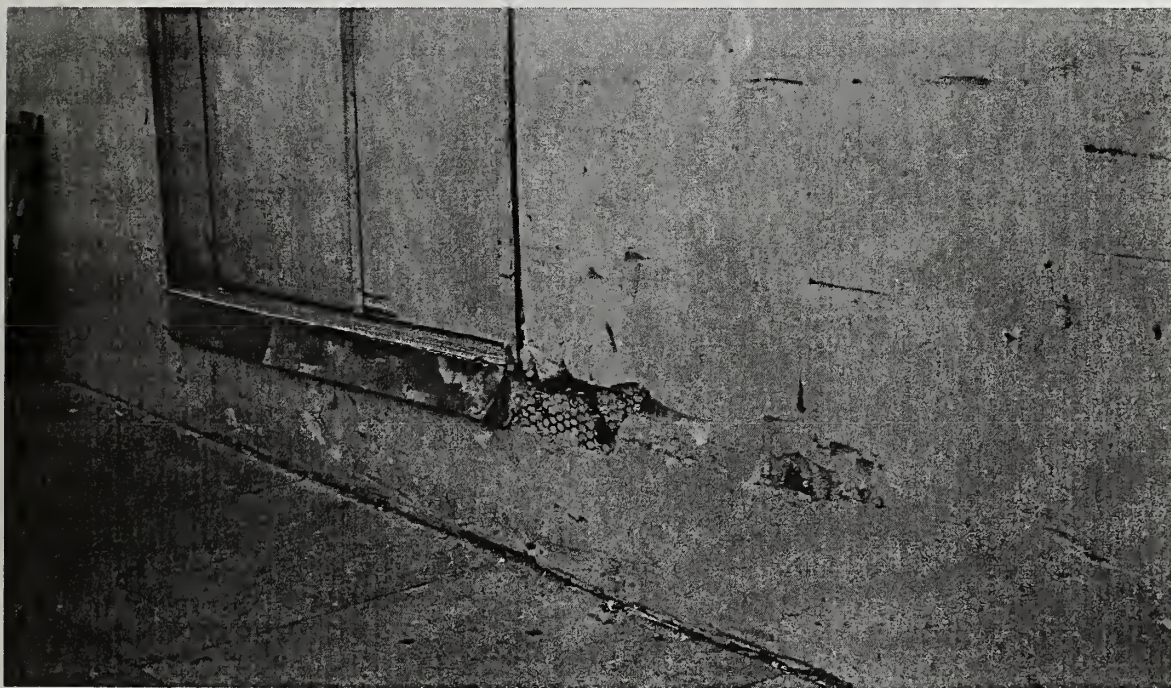


1339 Mission Street (detail). Extensive deferred maintenance and graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1321 Mission Street. Deteriorated retail commercial building.



1321 Mission Street (detail, side). Washburn St side and damaged wall.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1254-1260 Mission Street. Deteriorated 2-story commercial building.



1254-1260 Mission Street (detail, side). Extensive graffiti, deteriorated windows and doors, and serious wall cracking.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



30-32 Laskie Street. Deteriorated 2-story residential building, burned and boarded entryway, potentially unsafe and unhealthy.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



30-32 Laskie Street (detail). Deteriorated 2-story residential building with burned and boarded entryway.



30-32 Laskie Street, across street, trash and debris accumulation, graffiti, unsafe and unhealthy.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



65 9th Street. Deteriorated commercial building, deferred maintenance, homeless presence.



65 9th Street (rear). Deteriorated commercial building, deferred maintenance, and extensive graffiti. Serious cracking in walls and substandard paving on lot.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION

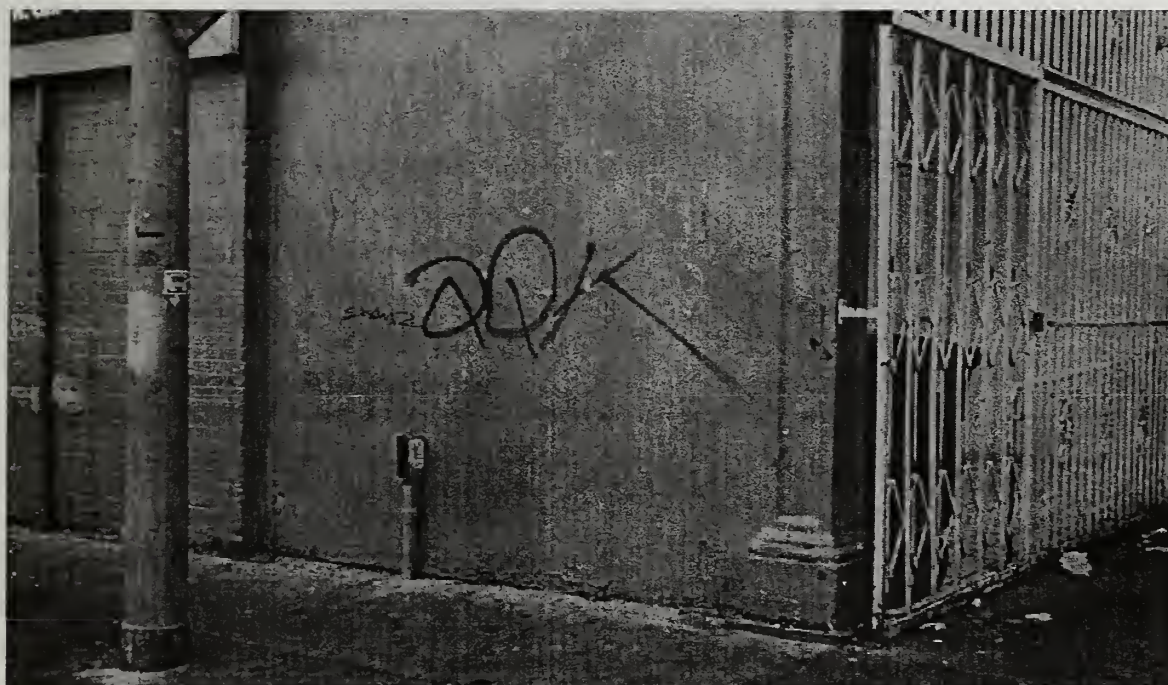


30-32 7th Street. Deteriorated windows and doors, serious wall cracking, and graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



30-32 7th Street (detail). Extensive deferred maintenance, deteriorated windows and doors, serious wall cracks, and graffiti



30-32 7th Street (detail, side). Extensive deterioration and graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1127 Market Street. Badly deteriorated theater and office building. Broken windows and deteriorated window frames.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1127 Market Street (detail). Extensive deferred maintenance, deteriorated windows and doors, and peeling and faded paint.



1127 Market Street (detail). Extensive deferred maintenance, vacant storefront, peeling and faded paint, and graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1003-1005 Market Street. Vacant retail storefront, extensive deferred maintenance, damaged awning, and graffiti



1003-1005 Market Street (detail, rear). Brick structure with soft mortar erosion, extensive trash and debris, and graffiti, potentially unsafe and unhealthy.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



942 Market Street. Deteriorated 7-story commercial building, faded and peeling paint, and deteriorated stucco façade.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



942 Market Street (detail). Extensive deferred maintenance, and deteriorated windows and doors.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION

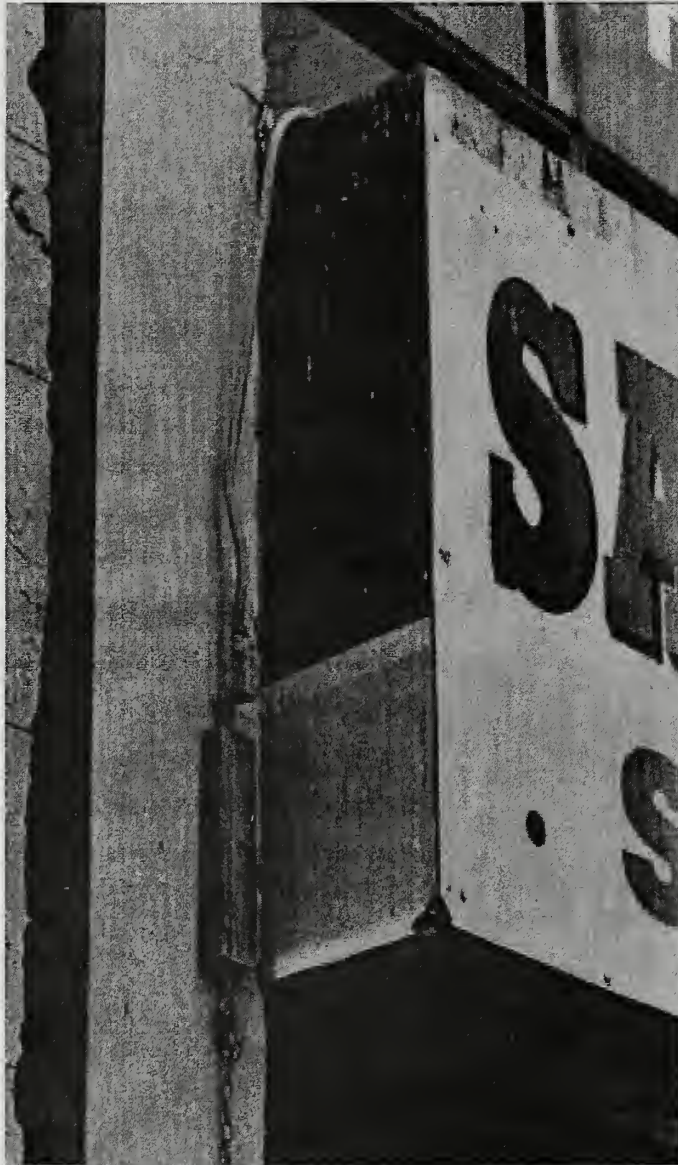


976 Market Street. Deteriorated commercial building, serious wall cracking, deteriorated windows and doors.



1066 Market Street. Deteriorated 2-story commercial building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1066 Market Street. Serious wall cracking and deteriorated signage.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1254 Market Street. Deferred maintenance, boarded, vacant storefront, and graffiti.



1254 Market Street,. Aging and deteriorated commercial building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1278-1282 Market Street. Deferred maintenance and cracked walls.



1278-1282 Market Street (detail). Deteriorated concrete and cracked walls.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1 Grove Street. Aging brick building. Deferred maintenance.



1 Grove Street (detail). Deteriorated concrete and masonry, cracked walls.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1272-1276 Market Street. Deferred maintenance and serious wall cracking.

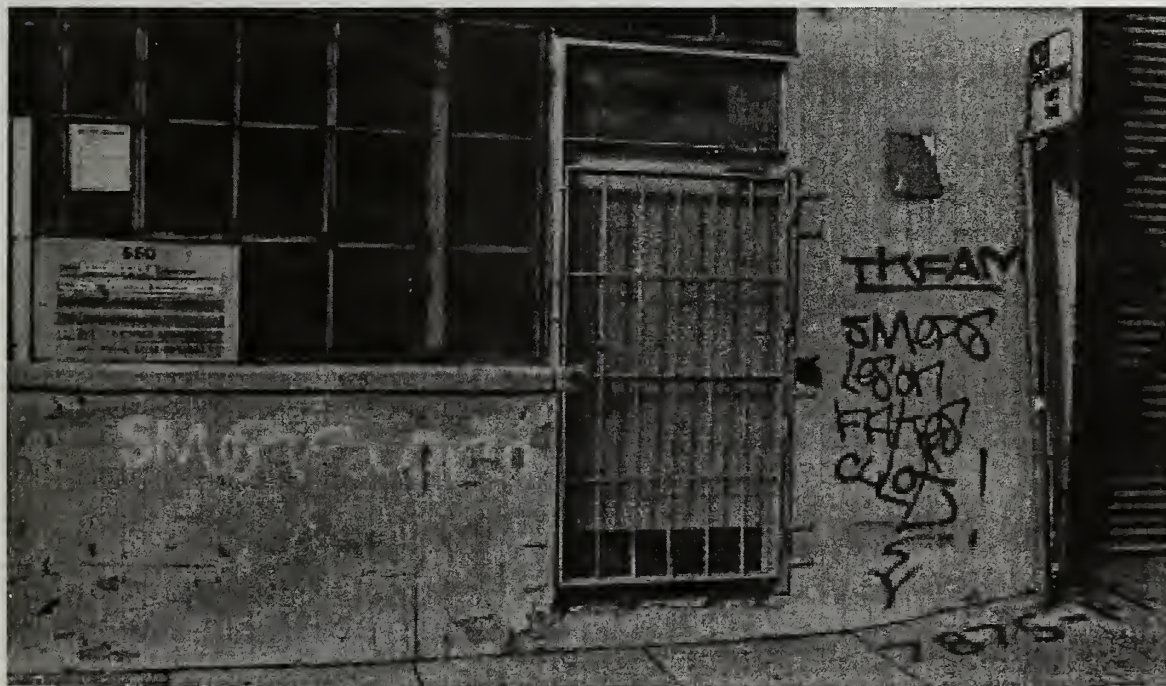


532 Jessie Street. Badly deteriorated 2-story brick building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



550 Jessie Street. Extensive deferred maintenance, peeling paint, water damage, potentially unhealthy. Vacant.



550 Jessie Street (detail). Extensive deferred maintenance, graffiti, peeling paint, and deteriorated windows and doors. Vacant.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1026 Mission Street. Deteriorated 2-story commercial building.



1026 Mission Street (detail). Damaged façade, torn awning, and graffiti.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION

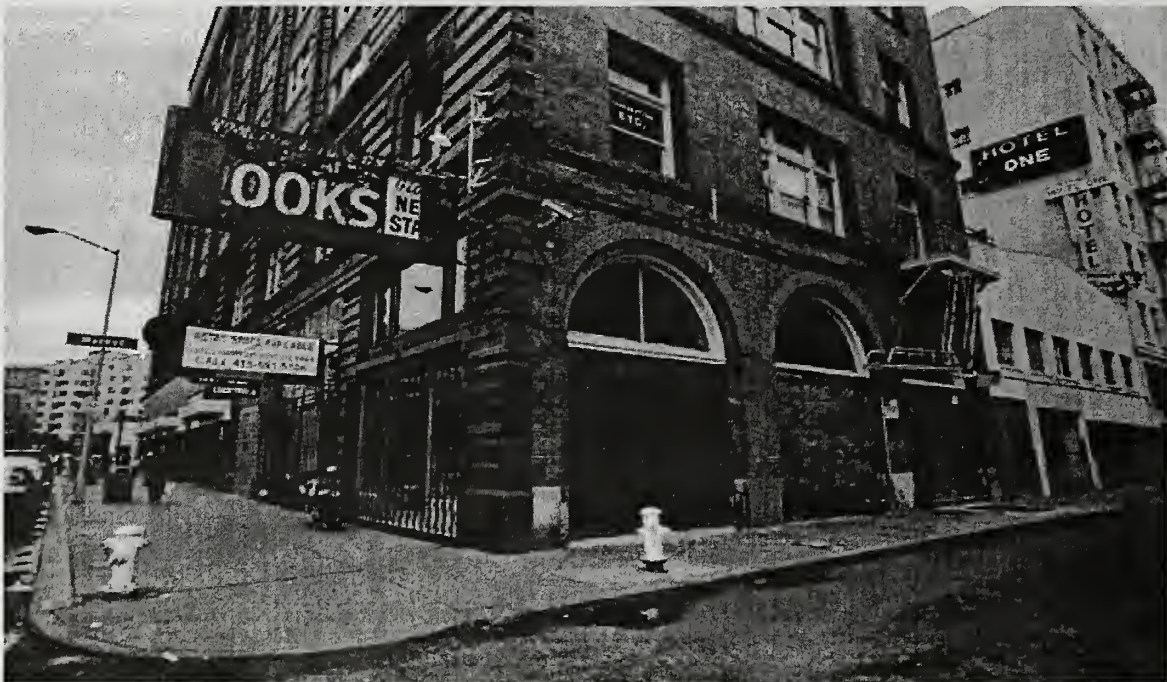


535 Stevenson Street (rear). Peeling paint and water damage, Deteriorated 4-story department store building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1095 Market Street. Deteriorated brick and steel frame pre-earthquake building.

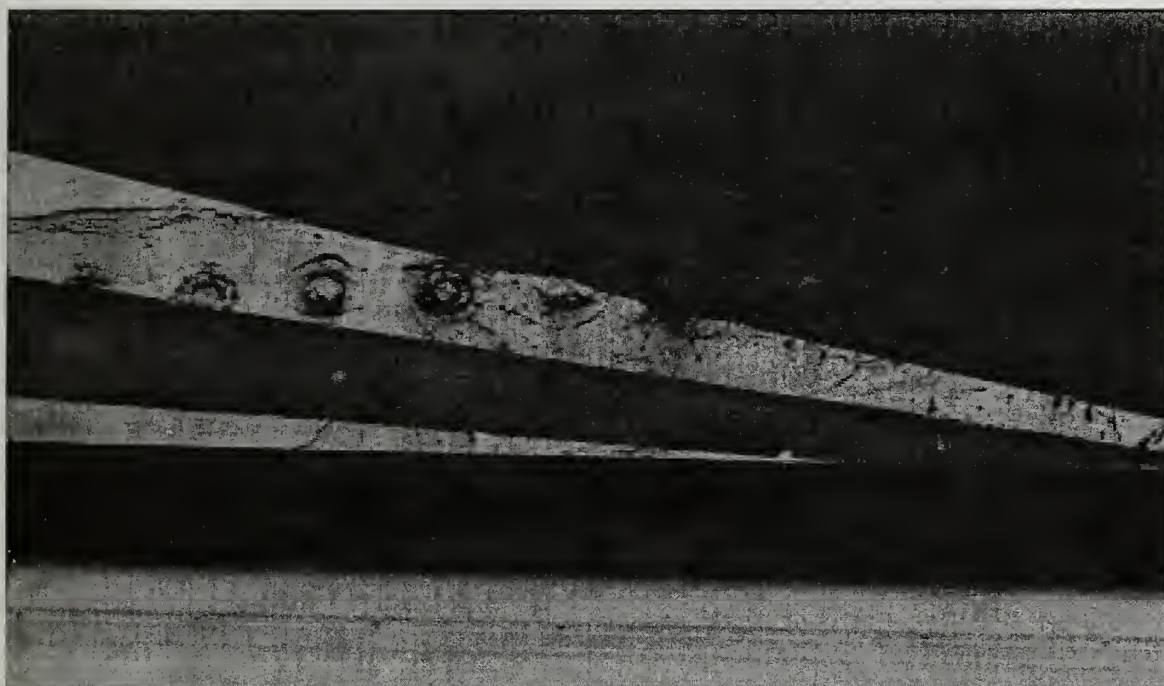


1095 Market Street (rear, detail). Boarded-up windows, deteriorated signage and mortar erosion on brick façade.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1077-1081 Market Street. Deteriorated theater and commercial building.



1077-1081 Market Street (detail). Extensive deferred maintenance and serious wall cracking.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1059-1061 Market Street. Badly deteriorated 6-story commercial building. Vacant storefronts and deteriorated signage-façades.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1059-1061 Market Street (ground floor detail). Vacant storefronts, deteriorated signage-façades, graffiti, and water damage.



1095 Market Street. Deteriorated commercial building, extensive deferred maintenance, faded and peeling paint, wall cracks.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1017-1021 Market Street. Deteriorated brick 6-story commercial building (circa 1909). Serious cracking on façade.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1017-1021 Market Street (detail). Deteriorated façade. Cracked concrete and peeling paint.



991 Market Street,. Deteriorated commercial building. Reinforced concrete structure, serious cracking.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1018-1024 Mission Street. Deteriorated 5 story brick hotel/commercial building. Vacant storefronts.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



1018-1024 Mission Street (detail). Deteriorated 5 story brick hotel/commercial building. Mortar erosion, serious cracking, deteriorated bricks, and graffiti. Vacant store fronts.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



426 Jessie Street. Deteriorated 2 story commercial building, extensive cracking.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



932 Mission Street. Deteriorated 2-story commercial building, cracking in façade.



440-444 Jessie Street. Deteriorated building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



54 Mint Street. Deteriorated brick mixed-use commercial building. Potentially unsafe.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



54 Mint (detail). Badly deteriorated masonry, potentially unsafe. Serious cracking in wall and mission bricks. Potentially earthquake damage.



460 Jessie Street. Deteriorated concrete utility building, extensive graffiti, and serious cracking on side walls.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION

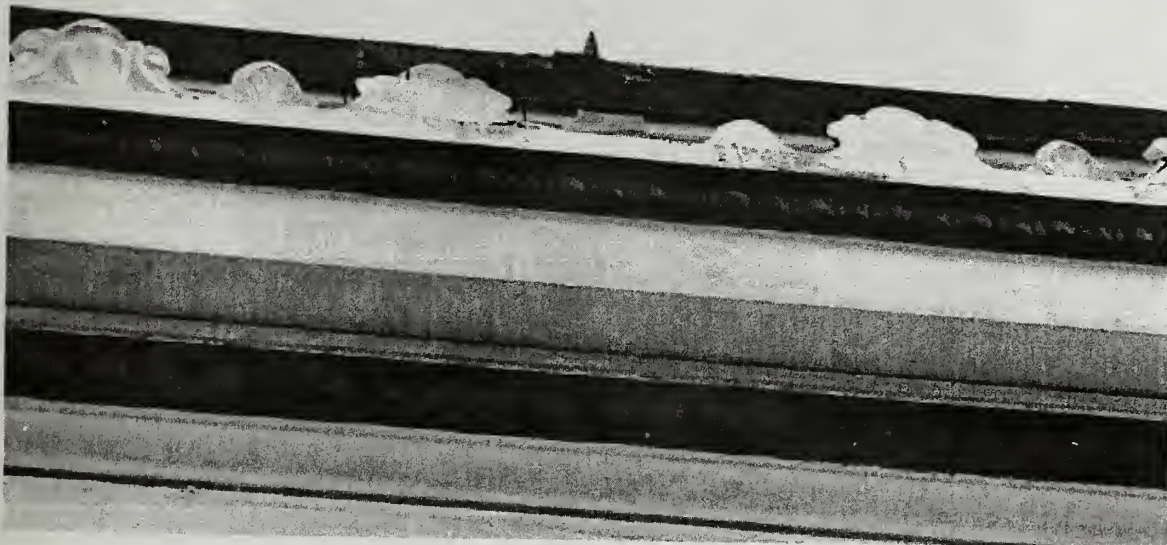


943 Market Street. Deteriorated commercial building.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



943 Market Street (detail). Deteriorated signage, cracked façade.



943 Market Street (detail). Peeling paint, cracked ornamentation.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



995-997 Market Street. High rise office building built in 1908 and remodeled in 1960. Parts of the curtain wall installed in 1960 have separated from the building and fallen. Potentially hazardous.

SFRA MID-MARKET BLIGHT PHOTO DOCUMENTATION



Vacant and underutilized property, adjacent to 1117-1119 Market Street.

